

Otter Tail Power Company
 Derivation of Base Cost of Energy (Used for Fuel Cost Adjustment Factor)
 For the Test Year Ended December 31, 2017

Statement P
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Line No.	(A) Description	(B) Energy KWH	(C) Adjustments	(D) Adjusted Energy KWH	(E) Actual Cost As Filed	(F) Adjustments	(G) Actual Cost Adjusted
1	Otter Tail Power Company Generation						
2	Steam Plant Generation	2,360,467,677	38,993,828 (1)	2,399,461,505	\$58,207,716	\$1,022,144 (1)	\$59,229,860
3	Hydro Plant Generation	25,128,461		25,128,461	0	\$0	\$0
4	Steam Plant Reagents & Emission Allowance Purchase			-	2,152,138		\$2,152,138
5	Wind Generation	509,346,434		509,346,434			\$0
6				-			\$0
7	Other Plant Generation	<u>36,702,828</u>		<u>36,702,828</u>	<u>1,484,623</u>	<u>\$0</u>	<u>\$1,484,623</u>
8		2,931,645,400	38,993,828	2,970,639,228	\$61,844,477	\$1,022,144	\$62,866,621
9							
10	Purchased Energy (including purchases from MISO)	2,135,655,325	0	2,135,655,325	59,277,175	\$0	59,277,175
11							
12	Total Energy and Cost	<u>5,067,300,725</u>	<u>38,993,828</u>	<u>5,106,294,553</u>	<u>\$121,121,653</u>	<u>\$1,022,144</u>	<u>\$122,143,797</u>
13							
14	Less Intersystem Sales	<u>(199,838,135)</u>		<u>(199,838,135)</u>	<u>(\$4,092,173)</u>	<u>\$0</u>	<u>(\$4,092,173)</u>
15							
16	Net Energy and Costs	4,867,462,590	38,993,828	4,906,456,418	\$117,029,480	\$1,022,144	\$118,051,624
17							
18							
19	Energy Reduced for 8% Average System Loss on Retail Sales	4,478,065,583		4,513,939,905			
20							
21	Base Rate for Fuel Adjustment Clause - Actual	<u>\$0.026134</u>					<u>\$0.026153</u>
22	(Actual is line 8, Column (E)/line 9, Column (B))				Base Rate for Fuel Adjustment Clause - / Adjusted (Adjusted is line 8, Column (D)/line 9, Column (G))		

(1) System Weather Normalization Summary	Weather Normalized kWhs	Weather Normalized Cost of Energy \$'s
Minnesota	15,711,499	\$431,471
North Dakota	17,420,410	\$457,444
South Dakota	<u>5,861,918</u>	<u>\$133,229</u> (a)
Total System	38,993,828	\$1,022,144

(a) Operating Income Schedule C-8 Column E Line 4, TY-05