

OTTER TAIL POWER COMPANY
Electric Utility - State of South Dakota
OPERATING INCOME SCHEDULES
OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE

Docket No. EL18-____
Exhibit__(TAA-1), Schedule 12
1 of 2

Line No.	Description	(A) 2017 Actual Year	TY-01 (B) Normalize CISone Project	TY-02 (C) BSP II Amortization	TY-03 (D) New Depreciation Rates	TY-05 (E) Weather Normalization	TY-06 (F) Revenue Normalization	TY-07 (G) Wages, KPA and Mang Inc.	TY-08 (H) Medical/Dental FAS 87, 106, 112	TY-09 (I) Rate Case Expense Amorization
<u>OPERATING REVENUES</u>										
1	Retail Revenue	\$32,929,872				\$335,353	\$4,325			
2	Other Electric Operating Revenue	\$1,725,695								
3	TOTAL OPERATING REVENUE	\$34,655,568	\$0	\$0	\$0	\$335,353	\$4,325	\$0	\$0	\$0
<u>OPERATING EXPENSES</u>										
4	Production Expenses	\$14,201,172				\$133,229	\$2,179	\$1,065	\$16,069	
5	Transmission Expenses	\$2,936,416						435	6,570	
6	Distribution Expenses	\$1,686,406						837	12,627	
7	Customer Accounting Expenses	\$1,144,837						523	7,894	
8	Customer Service and Information Expenses	\$663,245						81	1,219	
9	Sales Expenses	\$11,402								
10	Administration and General Expenses	\$3,739,913					1,838	27,731	183,333	
11	Charitable Contributions	\$0								
12	Depreciation Expense	\$4,719,228	121,188	164,538	22,111					
13	General Taxes	\$965,635								
14	TOTAL OPERATING EXPENSES	\$30,068,254	\$121,188	\$164,538	\$22,111	\$133,229	\$2,179	\$4,781	\$72,109	\$183,333
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$4,587,314	(\$121,188)	(\$164,538)	(\$22,111)	\$202,124	\$2,146	(\$4,781)	(\$72,109)	(\$183,333)
<u>INCOME TAX EXPENSE</u>										
17	Investment Tax Credit	(\$753,931)								
18	Deferred Income Taxes	\$527,063								
19	Income Taxes	\$0	(25,490)	(34,553)	(4,635)	42,446	451	(1,004)	(15,143)	(38,500)
20	TOTAL INCOME TAX EXPENSE	(\$226,868)	(\$25,490)	(\$34,553)	(\$4,635)	\$42,446	\$451	(\$1,004)	(\$15,143)	(\$38,500)
21	NET OPERATING INCOME	\$4,814,182	(\$95,698)	(\$129,985)	(\$17,476)	\$159,679	\$1,695	(\$3,777)	(\$56,966)	(\$144,833)
22	Allowance for Funds Used During Construction	0	0	0	0	0	0	0	0	0
23	TOTAL AVAILABLE FOR RETURN	\$4,814,182	(\$95,698)	(\$129,985)	(\$17,476)	\$159,679	\$1,695	(\$3,777)	(\$56,966)	(\$144,833)

\$0

Column references to adjustment workpapers:

(B) W/P 2017 SD TY-01 (H) W/P 2017 SD TY-08 (N) W/P 2017 SD TY-14
(C) W/P 2017 SD TY-02 (I) W/P 2017 SD TY-09 (O) W/P 2017 SD TY-15
(D) W/P 2017 SD TY-03 (J) W/P 2017 SD TY-10
(E) W/P 2017 SD TY-05 (K) W/P 2017 SD TY-11
(F) W/P 2017 SD TY-06 (L) W/P 2017 SD TY-12
(G) W/P 2017 SD TY-07 (M) W/P 2017 SD TY-13

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Line No.	Description	TY-10 (J)	TY-11 (K)	TY-12 (L)	TY-13 (M)	TY-14 (N)	TY-15 (O)	(Q) Changes in Allocations due to Effect of Test Year Adjustments	(R) 2017 Test Year	(P) Merricourt Step-In	2017 Test Year Step In
<u>OPERATING REVENUES</u>											
1	Retail Revenue				(\$245,070)	(2,374,465)		(\$0)	\$30,650,015	5,978,110	36,628,125
2	Other Electric Operating Revenue							\$5,653	\$1,731,348	31,873	1,763,221
3	TOTAL OPERATING REVENUE	\$0	\$0	\$0	(\$245,070)	(\$2,374,465)	\$0	\$5,653	\$32,381,363	\$6,009,983	\$38,391,347
<u>OPERATING EXPENSES</u>											
4	Production Expenses			\$145,434				\$44,109	\$14,543,258	(854,833)	13,688,425
5	Transmission Expenses							\$7,461	\$2,950,883	0	2,950,883
6	Distribution Expenses							(\$741)	\$1,699,129	0	1,699,129
7	Customer Accounting Expenses							(\$1)	\$1,153,253	(0)	1,153,253
8	Customer Service and Information Expenses							(\$1)	\$664,545	(0)	664,545
9	Sales Expenses							\$9,349	\$20,751	(0)	20,751
10	Administration and General Expenses	45,266						\$5,745	\$4,003,827	41,246	4,045,072
11	Charitable Contributions							\$0	\$0	-	0
12	Depreciation Expense							\$10,420	\$5,037,485	982,804	6,020,289
13	General Taxes							\$3,626	\$969,261	83,974	1,053,235
14	TOTAL OPERATING EXPENSES	\$45,266	\$0	\$145,434	\$0	\$0	\$0	\$79,969	\$31,042,391	\$253,190	\$31,295,581
15	NET OPERATING INCOME BEFORE INCOME TAXES	(\$45,266)	\$0	(\$145,434)	(\$245,070)	(\$2,374,465)	\$0	(\$74,316)	\$1,338,972	\$5,756,793	\$7,095,765
<u>INCOME TAX EXPENSE</u>											
17	Investment Tax Credit		\$638,677					(\$8,306)	(\$123,560)	(\$1,357,924)	(\$1,481,485)
18	Deferred Income Taxes						(664,300)	\$578,307	\$441,070	\$12,144	453,213
19	Income Taxes	(9,251)	0	(30,541)	(51,465)	(498,638)	0	(\$355,023)	(\$1,021,346)	\$1,068,192	46,847
20	TOTAL INCOME TAX EXPENSE	(\$9,251)	\$638,677	(\$30,541)	(\$51,465)	(\$498,638)	(\$664,300)	\$214,979	(\$703,836)	(\$277,588)	(\$981,425)
21	NET OPERATING INCOME	(\$36,015)	(\$638,677)	(\$114,893)	(\$193,605)	(\$1,875,827)	\$664,300	(\$289,296)	\$2,042,808	\$6,034,382	\$8,077,190
22	Allowance for Funds Used During Construction	0	0	0	0	0	0	0	0	0	0
23	TOTAL AVAILABLE FOR RETURN	(\$36,015)	(\$638,677)	(\$114,893)	(\$193,605)	(\$1,875,827)	\$664,300	(\$289,296)	\$2,042,808	\$6,034,382	\$8,077,190
\$0											