

OTTER TAIL POWER COMPANY
Electric Utility - State of South Dakota
OPERATING INCOME SCHEDULES
OPERATING INCOME STATEMENT ADJUSTMENTS SCHEDULE
2017 Test Year Versus 2017 Test Year Step

Docket No. EL18-____
Exhibit__(TAA-1), Schedule 15
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Line No.	Description	(A) 2017 Test Year	TY-16 (B) Merricourt Step- In	TY-17 (C) Proposed Test Year Revenues	(D) Changes in Allocations due to Effect of Test Year Adjustments	(E) 2017 Test Year Step
<u>OPERATING REVENUES</u>						
1	Retail Revenue	\$30,650,015		\$5,978,110	\$0	\$36,628,125
2	Other Electric Operating Revenue	\$1,731,348			\$31,873	\$1,763,221
3	TOTAL OPERATING REVENUE	\$32,381,363	\$0	\$5,978,110	\$31,874	\$38,391,347
<u>OPERATING EXPENSES</u>						
4	Production Expenses	\$14,543,258	(854,834)		0	\$13,688,425
5	Transmission Expenses	\$2,950,883			0	\$2,950,883
6	Distribution Expenses	\$1,699,129			0	\$1,699,129
7	Customer Accounting Expenses	\$1,153,253			0	\$1,153,253
8	Customer Service and Information Expenses	\$664,545			0	\$664,545
9	Sales Expenses	\$20,751			0	\$20,751
10	Administration and General Expenses	\$4,003,827	30,258		10,987	\$4,045,072
11	Charitable Contributions	\$0			0	\$0
12	Depreciation Expense	\$5,037,485	983,613		-809	\$6,020,289
13	General Taxes	\$969,261	57,288		26,686	\$1,053,235
14	TOTAL OPERATING EXPENSES	\$31,042,391	\$216,327	\$0	\$36,863	\$31,295,581
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$1,338,972	(\$216,327)	\$5,978,110	(\$4,990)	\$7,095,765
<u>INCOME TAX EXPENSE</u>						
17	Investment Tax Credit	(\$123,560)	(\$1,356,702)		(\$1,223)	(\$1,481,485)
18	Deferred Income Taxes	\$441,070			\$12,143	\$453,213
19	Income Taxes	(\$1,021,346)	(45,429)	1,255,403	(\$141,782)	\$46,847
20	TOTAL INCOME TAX EXPENSE	(\$703,836)	(\$1,402,131)	\$1,255,403	(\$130,862)	(\$981,425)
21	NET OPERATING INCOME	\$2,042,808	\$1,185,804	\$4,722,707	\$125,872	\$8,077,190
22	Allowance for Funds Used During Construction	0			0	0
23	TOTAL AVAILABLE FOR RETURN	\$2,042,808	\$1,185,804	\$4,722,707	\$125,872	\$8,077,190

Column references to adjustment workpapers:
(B) W/P 2017 SD TY-16
(C) Test Year Revenue Requirement