

Volume 4A – Section 5
2017 Test Year Step Workpapers
Test Year Adjustment

Rate Base Impact

	(A)	(B)	(C)	(D)	
Line No.	Description	OTP Total	Allocator	Allocator %	OTP SD
1	Plant in Service				
2	Production Plant				
3	A/C 101 & 106 - Base Demand	0	E1	9.364273%	0
4	Peak Demand	57,209,825	D1	9.241806%	5,287,221
5	Base Energy	213,413,757	E2	9.044926%	19,303,116
6	Total	<u>270,623,582</u>			<u>24,590,337</u>
7	Accumulated Depreciation				
8	Production Plant				
9	Base Demand	0	E1	9.364273%	0
10	Peak Demand	(2,288,393)	D1	9.241806%	(211,489)
11	Base Energy	(8,536,550)	E2	9.044926%	(772,125)
12	Total	<u>(10,824,943)</u>			<u>(983,613)</u>
13	Materials and Supplies	0	P10	9.282395%	0
14	Accumulated Deferred Income Taxes				
15	All Other				
16	Federal-Tax Depreciation	(16,838,272)	NEPIS	8.090400%	(1,362,284)
	Federal-PTC DTA	15,988,752	NEPIS	8.090400%	1,293,554
17	Minnesota	0	NPISM	0.000000%	0
18	North Dakota	0	NPISN	0.000000%	0
19	Total	<u>(849,520)</u>			<u>(68,730)</u>
20	Total Rate Base Impact	<u>258,949,119</u>			<u>23,537,994</u>

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Reference Workpaper for 2017 TY-16

Operating Statement Impact

Line No.	Description	(A) OTP Total	(B) Allocator	(C) Allocator %	(D) OTP SD
1	Production Expenses				
2	Production Expenses Excl Purchased Power				
3	Base Demand	0	E1	9.364273%	0
4	Peak Demand	1,098,982	D1	9.241806%	101,566
5	Base Energy	3,672,976	E2	9.044926%	332,218
6	Peak Energy	0	D1	9.241806%	0
7	Total Production Expenses Excl Purchase	4,771,958			433,784
8					
9	Purchase Power				
10	Base Energy	(14,246,855)	E2	9.044926%	(1,288,617)
11	Total Production Expenses	(9,474,897)			(854,834)
12	A&G - Property Insurance	374,000	NEPIS	8.090397%	30,258
13					
14	Depreciation Expense				
15	Production Plant				
16	Base Demand	0	E1	9.364273%	0
17	Peak Demand	2,288,393	D1	9.241806%	211,489
18	Base Energy	8,536,550	E2	9.044926%	772,125
19	Total Depreciation Expense	10,824,943			983,613
20					
21					
22	General Taxes	708,099	NEPIS	8.090397%	57,288
23					
24					
25	Total O&M Expense	2,432,145			216,326
26					
27					
28	Investment Tax Credit				
29	Amortize Prior Years Credit	(15,988,752)	EPIS	8.485354%	(1,356,702)
30	Debits Utilized	0	EPIS	8.485354%	0
31	Total Investment Tax Credit	(15,988,752)			(1,356,702)
32					
33					
34	Deferred Income Taxes				
35	All Other				
36	Federal	0	NEPIS	8.090397%	0
37	Minnesota	0	NPISM	0.000000%	0
38	North Dakota	0	NPISN	0.000000%	0
39	Total Deferred Income Taxes	0			0
40					
41	Schedule M Items				
42	Additional Tax Depreciation	0	NEPIS	8.090397%	0
43	Change in Excess Tax Depreciation	0	NEPIS	8.090397%	0
44	Total Schedule M Adjustments	0			0
45					
46	Total Income Taxes	(15,988,752)			(1,356,702)
47					
48					
49	Total Operating Statement Impact	13,556,607			(216,326)
50					
51	Income Tax Impact: SD Tax Rate is 21.00%				(45,428)
52					
53	Net Operating Income Impact				(170,897)

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Line No.			(A)	(B)
			Merricourt	2017 Test Year Step Adjustment
1	Total Production		270,623,582	270,623,582
2	Peak Demand	21.14%	57,209,825.23	57,209,825
3	Base Energy	78.86%	213,413,757	213,413,757

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Line No.			(A)	(B)
			Merricourt	2017 Test Year Step Adjustment
1	Accumulated Depreciation		(10,824,943)	(10,824,943)
2	Peak Demand	21.14%	(2,288,393)	(2,288,393)
3	Base Energy	78.86%	(8,536,550)	(8,536,550)

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Line No.	Investment Tax Credit	(A) Merricourt	(B) 2017 Test Year Step Adjustment
1	Federal Deferred (Overall)	(16,838,272)	(16,838,272)
2	Book vs Tax Difference in ND ITC Credit - Adjustment to ADIT for Deferred Tax Credit		0
3	ND ITC Book vs Tax Federal Haircut Difference		0
			<u>(16,838,272)</u>
4	Total Deferred	<u>(16,838,272)</u>	<u>(16,838,272)</u>

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Line No.		(A) Merricourt	(B) 2017 Test Year Step Adjustment
	Operating Expenses		
	Production Expenses		
	Production Expenses Excl Purchased Power		
1	Base Demand	0	0
2	Peak Demand 23.03%	1,098,982	1,098,982
3	Base Energy 76.97%	3,672,976	3,672,976
4	Peak Energy	0	0
5	Total Excluding Purchased Power	4,771,958	4,771,958
6			
7	Purchase Power		
8	Base Energy	(14,246,855)	(14,246,855)
9	Total Production Expenses	(9,474,897)	(9,474,897)
10			
11	Transmission Expenses	0	0
12			
13	Distribution Expenses		
14	Primary Demand	0	0
15	Secondary Demand	0	0
16	Primary Customer	0	0
17	Secondary Customer	0	0
18	Streetlighting	0	0
19	Area Lighting	0	0
20	Meters	0	0
21	Load Management	0	0
22	Total Distribution	0	0
23			
24	Customer Accounting Expenses		
25	Meter Reading	0	0
26	Other	0	0
27	Total Customer Accounts	0	0
28			
29	Customer Service & Info Expense		
30	- MN	0	0
31	- ND	0	0
32	- SD	0	0
33	- Other	0	0
34	Total Customer Serv & Information Exp	0	0
35			
36	Sales Expenses		
37	- MN	0	0
38	- ND	0	0
39	- SD	0	0
40	- Other	0	0
41	Total Sales Expenses	0	0
42			
43	Administrative & General Expenses		
44	Salaries, Supplies, Pensions & Benefits		
45	Production	0	0
46	Transmission	0	0
47	Distribution	0	0
48	Customer Accounts	0	0
49	Customer Service & Info	0	0
50	Total A&G Salaries, Supplies, Pensions &	0	0
51			
52	Administrative & General Expenses		
53	Load Management	0	0
54	Outside Services (A/C 923)	0	0
55	Property Insurance (A/C 924)	374,000	374,000
56	Injuries & Damages (A/C 925)	0	0
57	General Advertising (A/C 930.1)	0	0
58	Misc, Rents, Maintenance	0	0
59	Total A&G	374,000	374,000

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Line No.	Depreciation Expense	(A)	(B)	(C) Merricourt	(D) 2017 Test Year Step Adjustment
1	Production			10,824,943	10,824,943
2	Peak Demand 21.14%	0	0	2,288,393	2,288,393
3	Base Energy 78.86%	0	0	8,536,550	8,536,550

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Line No.	(A)	(B)	(C) Merricourt	(D) 2017 Test Year Step Adjustment
1			708,099	708,099

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Line No.	(A)	(B)	(C)	(D)
Investment Tax Credit			Merricourt	2017 Test Year Step Adjustment
1 Book Tax Credits - Federal PTC			(15,988,752)	(15,988,752)
2 Total Amortization of Prior Year Credit	0	0	(15,988,752)	(15,988,752)