

Otter Tail Power Company
South Dakota Phase In Rider
Ashtabula III Revenue Requirements

Line No.	P06161.010-107013	2023												Projected Year-End
		Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	
RATE BASE														
1	Plant Balance	51,464,798	51,464,798	51,464,798	51,464,798	51,464,798	51,464,798	51,464,798	52,264,798	52,264,798	52,264,798	52,264,798	52,264,798	52,264,798
2	Accumulated Depreciation	(184,416)	(184,416)	(368,831)	(553,247)	(737,662)	(922,078)	(1,106,493)	(1,290,909)	(1,478,181)	(1,665,473)	(1,852,755)	(2,040,037)	(2,040,037)
3	Net Plant in Service	51,464,798	51,280,383	51,095,967	50,911,552	50,727,136	50,542,721	50,358,306	50,973,890	50,786,608	50,599,325	50,412,043	50,224,761	50,224,761
CWIP Calculation:														
4	Beginning	1,114,798	-	-	-	-	-	-	-	-	-	-	-	1,114,798
5	Additional CWIP	50,350,000	-	-	-	-	-	-	800,000	-	-	-	-	51,150,000
6	Closings from CWIP	(51,464,798)	-	-	-	-	-	-	(800,000)	-	-	-	-	(52,264,798)
7	AFUDC	-	-	-	-	-	-	-	-	-	-	-	-	-
8	CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
9	ADIT Pro-Rated	0.5836	0.5068	0.4219	0.3397	0.2548	0.1726	0.0877	0.0027	1.0000	1.0000	1.0000	1.0000	-
10	Accum. Deferred Inc. Taxes - Fed & State	(106,749)	(179,836)	(240,677)	(289,665)	(326,406)	(351,296)	(363,938)	(364,333)	(507,930)	(651,528)	(795,125)	(938,723)	(938,723)
11	Accum. Deferred Inc. Taxes - Basis Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
12	End of month rate base	51,358,049	51,100,546	50,855,291	50,621,887	50,400,730	50,191,425	49,994,367	50,609,557	50,278,677	49,947,797	49,616,918	49,286,038	49,286,038
13	Average rate base	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	3,873,470	46,481,637
14	Return on Rate Base	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	3,218,164
15	Available for return (equity portion of rate base)	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	2,228,388
16	EXPENSES													
17	O&M and Depreciation	92,674	92,674	92,674	92,674	92,674	92,674	92,674	92,674	92,674	92,674	92,674	92,674	1,112,090
18	Operating Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Self-Funded Transmission Monthly Payments	26,882	26,882	26,882	26,882	26,882	26,882	26,882	26,882	26,882	26,882	26,882	26,882	322,585
20	Ground Lease Payments	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	22,110	265,325
21	Property/Production Tax	-	184,416	184,416	184,416	184,416	184,416	184,416	184,416	187,282	187,282	187,282	187,282	2,040,037
22	Book Depreciation	-	184,416	184,416	184,416	184,416	184,416	184,416	184,416	187,282	187,282	187,282	187,282	2,040,037
23	Total O&M and Depreciation Expense	141,667	326,082	326,082	326,082	326,082	326,082	326,082	326,082	328,949	328,949	328,949	328,949	3,740,037
24	Income before Taxes	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	2,228,388
25	Available for return (from above)	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Less book tax credits - Federal PTC	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Less book tax credits - ND ITC	-	-	-	-	-	-	-	-	-	-	-	-	-
28	ND ITC - Federal Impact	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Less: Section 199 Deduction	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Adjusted Income before interest and taxes	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	185,699	2,228,388
31	Taxable Income (grossed up)	235,062	235,062	235,062	235,062	235,062	235,062	235,062	235,062	235,062	235,062	235,062	235,062	2,820,744
32	Income Taxes	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	592,356
33	Current and Def Income Taxes	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	592,356
34	Tax Adjustment for Additional Tax Basis	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Total Income Tax Expense	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	49,363	592,356
36	REVENUE REQUIREMENTS													
37	Expenses	191,030	375,445	375,445	375,445	375,445	375,445	375,445	375,445	378,312	378,312	378,312	378,312	4,332,394
38	Return on rate base	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	268,180	3,218,164
39	Total revenue requirements	459,210	643,626	643,626	643,626	643,626	643,626	643,626	643,626	646,492	646,492	646,492	646,492	7,550,557
40	South Dakota share - E2 factor	45,913	64,352	64,352	64,352	64,352	64,352	64,352	64,352	64,638	64,638	64,638	64,638	754,926
41	SUPPORTING INFORMATION / DATA													
42	MN Capstructure with allowed ROE per order.													
43	Capital Structure	Ratio	Cost	WA Cost					Fed Portion	State Portion				
44	Debt	45.21%	4.71%	2.13%	Effective Tax Rate				21.00%	21.00%	0.00%			
45	Preferred equity	0.00%	0.00%	0.00%	Tax conversion factor				1.26582					
46	Common equity	54.79%	8.75%	4.79%										
47	Total	100.00%		6.92%	SD share - E2 factor				9.99828%	Sept 2022 - Aug 2023				