

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
Big Stone South to Ellendale MVP Revenue Requirements

Line No.		2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2024	2024
		March Actual	April Actual	May Actual	June Actual	July Actual	August Actual	September Actual	October Projected	November Projected	December Projected	Year-End Projected	January Projected	February Projected
1	RATE BASE													
2	Plant Balance	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102	106,343,102
3	Accumulated Depreciation	(6,668,753)	(6,802,972)	(6,937,192)	(7,071,411)	(7,205,631)	(7,339,850)	(7,474,070)	(7,608,289)	(7,742,509)	(7,876,728)	(8,010,948)	(8,145,167)	(8,279,387)
4	Net Plant in Service	99,674,350	99,540,130	99,405,911	99,271,691	99,137,472	99,003,252	98,869,033	98,734,813	98,600,594	98,466,374	98,332,155	98,197,935	98,063,716
5														
6														
7														
8	ADIT Federal Proration Factors	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9	Accumulated Deferred Income Taxes - Federal only	(5,853,918)	(5,954,697)	(6,055,475)	(6,156,254)	(6,257,032)	(6,357,811)	(6,458,590)	(6,559,368)	(6,660,147)	(6,760,925)	(6,861,704)	(6,962,482)	(7,063,261)
10	Accumulated Deferred Income Taxes - Federal & State	(5,853,918)	(5,954,697)	(6,055,475)	(6,156,254)	(6,257,032)	(6,357,811)	(6,458,590)	(6,559,368)	(6,660,147)	(6,760,925)	(6,861,704)	(6,962,482)	(7,063,261)
11	Accumulated Deferred Income Taxes - Federal & State - No Pro	(5,853,918)	(5,954,697)	(6,055,475)	(6,156,254)	(6,257,032)	(6,357,811)	(6,458,590)	(6,559,368)	(6,660,147)	(6,760,925)	(6,861,704)	(6,962,482)	(7,063,261)
12	Ending rate base	93,820,431	93,585,433	93,350,435	93,115,437	92,880,439	92,645,441	92,410,443	92,175,445	91,940,447	91,705,449	91,470,451	91,235,453	91,000,455
13														
14	OTL Load Percentage	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%
15	Remove Non-OTL Load Portion	(93,221,154)	(92,987,657)	(92,754,160)	(92,520,663)	(92,287,166)	(92,053,669)	(91,820,172)	(91,586,675)	(91,353,178)	(91,119,681)	(90,886,184)	(90,652,687)	(90,419,190)
16	Retail Ending Rate Base	599,277	597,776	596,275	594,774	593,273	591,772	590,271	588,770	587,269	585,768	584,267	582,766	581,265
17														
18	Average rate base	49,711	49,711	49,711	49,711	49,711	49,711	49,711	49,711	49,711	49,711	49,711	49,711	49,711
19														
20	Return on Rate Base	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361	3.361
21														
22	Available for return (equity portion of rate base)	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386
23														
24	EXPENSES													
25	O&M and Depreciation													
26	Operating Costs	-	-	-	-	-	-	-	-	-	80,000	-	-	-
27	Property Tax	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322	50,322
28	Book Depreciation	134,219	134,219	134,219	134,219	134,219	134,219	134,219	134,219	134,219	134,219	134,219	134,219	134,219
29	Total O&M and Depreciation Expense	184,542	184,542	184,542	184,542	184,542	184,542	184,542	184,542	184,542	264,542	184,542	184,542	184,542
30														
31	OTL Load Percentage	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%	0.639%
32	Remove Non-OTL Load Portion	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)	(183,363)
33	Retail O&M and Depreciation Expenses	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,179	1,690	1,179	1,179	1,179
34														
35	Income before Taxes													
36	Available for return (from above)	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386	2,386
37	Taxable Income (grossed up)	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021	3,021
38														
39	Income Taxes													
40	Current and Def Income Taxes	634	634	634	634	634	634	634	634	634	634	634	634	634
41	Total Income Tax Expense	634	634	634	634	634	634	634	634	634	634	634	634	634
42														
43	REVENUE REQUIREMENTS													
44	Expenses	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	1,813	2,324	1,813	1,813	1,813
45	Return on rate base	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361
46	Subtotal revenue requirements	5,174	5,174	5,174	5,174	5,174	5,174	5,174	5,174	5,174	5,685	5,174	5,174	5,174
47	Adjustments													
48	Transmission Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Total revenue requirements	5,174	5,174	5,174	5,174	5,174	5,174	5,174	5,174	5,174	5,685	5,174	5,174	5,174
50														
51	South Dakota share - D2 factor	536	536	536	536	536	536	536	536	536	589	536	536	536
52														
53	Gross Receipts Tax	1	1	1	1	1	1	1	1	1	1	1	1	1
54														
55	Total South Dakota Share	537	537	537	537	537	537	537	537	537	590	537	537	537

Line No.		SD Cap Structure with allowed ROE per order.			Property tax		
		Ratio	Cost	WA Cost	2023 composite rate		
1	SUPPORTING INFORMATION						
2							
3	Capital Structure						
4	Debt	45.14%	4.34%	1.96%			
5	Preferred equity	0.00%	0.00%	0.00%			
6	Common equity	54.86%	8.75%	4.80%			
7	Total	100.00%		6.76%	Overall Return		
8							
9							
10	Project life (years)		Book	Tax			
11			50	15-year MACRS			
12							
13							
14	Statutory Tax Rate		21.00%	21.00%	0.00%	SD Gross Receipts Tax	
15	Tax conversion factor		1.26582		0.150%		
16	Transmission Revenue						
17	D2 factor		10.3609%				
18	Deferred Tax						
19	Book depreciation	134,219	134,219	134,219	134,219	134,219	134,219
20	Tax depreciation - Federal	614,117	614,117	614,117	614,117	614,117	614,117
21	Tax depreciation - State	614,117	614,117	614,117	614,117	614,117	614,117
22	Federal deferred income taxes	(100,779)	(100,779)	(100,779)	(100,779)	(100,779)	(100,779)
23	State deferred income taxes	-	-	-	-	-	-

