

**Otter Tail Power Company
South Dakota Retail Jurisdiction**

IV. Cost of Capital¹

2023 Actual

Line	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
1 Long-Term Debt	\$ 743,350,333	42.76%	4.33%	1.85%
2 Short-Term Debt	\$ 51,127,180	2.94%	6.96%	0.21%
3 Total Debt	<u>\$ 794,477,513</u>	<u>45.71%</u>		
4 Preferred Stock	-	0.00%	0.00%	0.00%
5 Common Equity	\$ 943,746,541	54.29%	7.79%	4.23%
6 Total Equity	<u>\$ 943,746,541</u>	<u>54.29%</u>		
7 Total Capital	\$ 1,738,224,054	100.00%		6.28%

2023 Normalized

Line	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
8 Long-Term Debt	\$ 743,350,333	42.76%	4.33%	1.85%
9 Short-Term Debt	\$ 51,127,180	2.94%	6.96%	0.21%
10 Total Debt	<u>\$ 794,477,513</u>	<u>45.71%</u>		
11 Preferred Stock	\$ -	0.00%	0.00%	0.00%
12 Common Equity	\$ 943,746,541	54.29%	7.60%	4.13%
13 Total Equity	<u>\$ 943,746,541</u>	<u>54.29%</u>		
14 Total Capital	\$ 1,738,224,054	100.00%		6.18%

¹ Based on 13 month averages, consistent with methodology approved in last rate case, Docket No. EL18-021