

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

**V. Required Rate of Return<sup>1</sup>**

**2023 Based on Authorized ROE**

Line	<u>Amount</u>	<u>% of Total</u>	<u>Cost</u>	<u>Weighted Cost</u>
1 Long-Term Debt	\$ 794,477,513	45.71%	4.50%	2.06%
2 Short-Term Debt		0.00%	6.96%	0.00%
3 Total Debt	\$ 794,477,513	45.71%		
4 Preferred Stock		0.00%	0.00%	0.00%
5 Common Equity	\$ 943,746,541	54.29%	8.75%	4.75%
6 Total Equity	\$ 943,746,541	54.29%		
7 Total Capital	\$ 1,738,224,054	100.00%		6.81%

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