

Otter Tail Power Company  
South Dakota Phase-In Rider  
Hoot Lake Plant Adjustment

Line No.	A Year>>	B		C		D	E	F
		2017 Test Year	2021 Blended Jan-May 2017 TY Values June-Dec 2021 Actuals	2022 Actuals	2023 Projected	2024 Projected		
<b>RATE BASE</b>								
1	Ending Plant in Service	69,171,271	70,143,432	70,976,713	70,976,713	70,976,713		70,976,713
2	Ending Accumulated Depreciation	53,973,108	65,272,986	75,153,571	75,385,269	75,854,343		75,854,343
3	Ending Net Plant	15,198,163	4,870,446	(4,176,858)	(4,408,556)	(4,877,630)		(4,877,630)
4								
5	Decommissioning	0	1,618,743	6,354,976	8,877,960	9,724,675		9,724,675
6								
7	Accumulated Deferred Income Taxes Federal & State	(9,664,452)	(8,427,104)	(7,963,962)	(7,691,557)	(7,226,339)		(7,226,339)
8	Rate Base - 13 Month Average	5,533,711	(1,937,915)	(5,785,844)	(3,222,153)	(2,379,293)		(2,379,293)
9								
10	Rate Base Revenue Requirement	8.32%	8.32%	8.32%	8.32%	8.32%		8.32%
11	Return on Rate Base (OTP Total)	460,405	(161,235)	(481,382)	(268,083)	(197,957)		(197,957)
12								
13	South Dakota Share -Blended Base Peak Split	9.34%	9.34%	9.34%	9.34%	9.34%		9.34%
14	Return on Rate Base (OTP SD)	43,009	(15,062)	(44,969)	(25,043)	(18,492)		(18,492)
15								
<b>EXPENSES</b>								
<b>O&amp;M and Depreciation</b>								
17	Operations and Maintenance	6,494,869	3,413,167	800,057	880,637	236,999		236,999
18	Property Tax	1,127,988	1,074,480	1,036,260	1,036,260	1,036,260		1,036,260
19	Annual Depreciation Expense	3,424,774	4,119,630	1,845,531	232,757	232,757		232,757
20	Total O&M and Depreciation Expense	11,047,631	8,607,276	3,681,847	2,149,654	1,506,016		1,506,016
21								
22	South Dakota Share -Blended Base Peak Split	9.34%	9.34%	9.34%	9.34%	9.34%		9.34%
23	O&M (OTP SD)	1,032,029	804,060	343,944	200,813	140,686		140,686
24								
25								
<b>REVENUE REQUIREMENTS</b>								
26	Total 2017 TY Revenue Requirements (OTP SD)	1,075,038	788,998	298,976	175,769	122,194		122,194
27								
28	Revenue Shareback		(286,040)	(776,062)	(899,269)	(952,844)		(952,844)
29								

South Dakota				
30	Tax Rate	21.00%		
31		2017 TY COSS		
32	<b>Capital Structure</b>	Rate	Ratio	Cost Weighted Debt Cost
33	LT Debt	5.2200%	47.08%	2.46%
34	ST Debt	0.0000%	0.00%	0.00%
35	Common Equity	8.7500%	52.92%	4.63%
36	Required Rate of Return			7.09%
37	Equity Return Tax Revenue Requirement			1.23%
38	<b>Rate Base Revenue Requirement Factor</b>			<b>8.32%</b>
39				
40				
41	Gross Up Factor	1.26582	Gross Up of Equity %	5.86%
42		1 / (1 - Tax Rate)	Equity %	4.63%
43			Difference	1.23%
44				
45	OTP SD Share (blended base peak split)	9.34%		
46	Base Demand Factor	81.51%		
47	Peak Demand Factor	18.49%		
48	SD share - E1 factor	9.36%		
49	SD share - D1 factor	9.24%		
50				
51				