

Otter Tail Power Company
Demand Response System Revenue Requirements

Line No.	Year>>	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	
		Actual Jan	Actual Feb	Actual Mar	Actual Apr	Actual May	Actual Jun	Projected Jul	Projected Aug	Projected Sep	Projected Oct	Projected Nov	Projected Dec	Projected Total
RATE BASE														
1	Plant Balance	0	0	0	0	0	0	0	0	0	0	0	0	
2	Accumulated Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	
3	Net Plant in Service	0	0	0	0	0	0	0	0	0	0	0	0	
CWIP Calculation:														
5	Beginning Balance	67,652	97,768	124,131	172,518	181,376	203,812	213,627	263,644	313,661	363,679	424,529	485,380	
6	Additional CWIP	30,116	26,363	48,387	8,858	22,436	9,815	50,017	50,017	50,017	60,851	60,851	60,851	
7	Closings from CWIP	0	0	0	0	0	0	0	0	0	0	0	0	
8	AFDUC	0	0	0	0	0	0	0	0	0	0	0	0	
9	CWIP	97,768	124,131	172,518	181,376	203,812	213,627	263,644	313,661	363,679	424,529	485,380	546,231	
10	ADIT Federal Proration Factors	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.9206	0.8356	0.7534	0.6885	
11	Accumulated Deferred Income Taxes Federal & State	0	0	0	0	0	0	0	0	0	0	0	0	
12	Accumulated Deferred Income Taxes Federal & State - No Pr	0	0	0	0	0	0	0	0	0	0	0	0	
13	Ending rate base	97,768	124,131	172,518	181,376	203,812	213,627	263,644	313,661	363,679	424,529	485,380	546,231	
14	Average rate base	22,167	22,167	22,167	22,167	22,167	22,167	22,167	22,167	22,167	22,167	22,167	22,167	
15	Return on Rate Base	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	
16	Available for return (equity portion of rate base)	975	975	975	975	975	975	975	975	975	975	975	975	
17														
18														
19														
20	EXPENSES													
21	O&M and Depreciation													
22	Operating Costs (annual fees)	0	0	0	0	0	0	0	0	0	0	0	0	
23	Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	
24	Book Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	
25	Total O&M and Depreciation Expense	0	0	0	0	0	0	0	0	0	0	0	0	
26														
27	Income before Taxes													
28	Available for return (from above)	975	975	975	975	975	975	975	975	975	975	975	975	
29	Taxable Income (grossed up)	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	
30														
31	Income Taxes													
32	Current Income Tax	259	259	259	259	259	259	259	259	259	259	259	259	
33	Def Income Tax	0	0	0	0	0	0	0	0	0	0	0	0	
34	Total Income Tax Expense	259	259	259	259	259	259	259	259	259	259	259	259	
35														
36														
37	REVENUE REQUIREMENTS													
38	Expenses	259	259	259	259	259	259	259	259	259	259	259	259	
39	Return on rate base	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	
40	Subtotal revenue requirements	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	
41	Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	
42	Total revenue requirements	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	1,682	
43														
44	South Dakota - C9 factor	162	162	162	162	162	162	162	162	162	162	162	162	

Line No.	SUPPORTING INFORMATION / DATA													
1	SD Cap Structure with allowed ROE per order.													
2	Capital Structure	Ratio	Cost	WA Cost										Property tax
3	Debt	46.41%	4.35%	2.02%										2023 composite rate
4	Preferred equity	0.00%	0.00%	0.00%										1.14%
5	Common equity	53.59%	8.21%	4.40%										
6	Total	100.00%		6.4186%	Overall Return									
7														
8														
9														
10	Project life (years)	Book	Tax											
11		15	15-year MACRS											
12				Fed Portion	State Portion									
13	Statutory Tax Rate	21.00%		21.00%	0.00%									
14	Tax conversion factor	1.26582												
15	SD share - C9 factor	9.660%												
16														

Otter Tail Power Company
Demand Response System Revenue Requirements

Line No.	Year>>	2024 Projected Jan	2024 Projected Feb	2024 Projected Mar	2024 Projected Apr	2024 Projected May	2024 Projected Jun	2024 Projected Jul	2024 Projected Aug	2024 Projected Sep	2024 Projected Oct	2024 Projected Nov	2024 Projected Dec	2024 Projected Total
RATE BASE														
1	Plant Balance	857,044	857,044	857,044	857,044	857,044	857,044	857,044	857,044	857,044	857,044	857,044	857,044	857,044
2	Accumulated Depreciation	0	(4,761)	(9,523)	(14,284)	(19,045)	(23,807)	(28,568)	(33,330)	(38,091)	(42,852)	(47,614)	(52,375)	(57,136)
3	Net Plant in Service	857,044	852,283	847,522	842,760	837,999	833,238	828,476	823,715	818,954	814,192	809,431	804,669	804,669
CWIP Calculation:														
5	Beginning Balance	546,231	0	299,714	1,199,592	2,112,136	3,024,680	3,970,524	4,901,612	5,866,000	6,797,088	7,943,390	9,064,042	10,217,994
6	Additional CWIP	310,814	299,714	899,878	912,544	912,544	945,844	931,088	964,388	931,088	1,146,302	1,120,652	1,153,952	10,528,808
7	Closings from CWIP	(857,044)												
8	AFDUC													
9	CWIP	0	299,714	1,199,592	2,112,136	3,024,680	3,970,524	4,901,612	5,866,000	6,797,088	7,943,390	9,064,042	10,217,994	10,217,994
10	ADIT Federal Proration Factors	0.5836	0.5069	0.4219	0.3397	0.2548	0.1726	0.0877	0.0027	1.0000	1.0000	1.0000	1.0000	1.0000
11	Accumulated Deferred Income Taxes Federal & State	(438)	(311)	(205)	(121)	(57)	(14)	8	9	259	509	759	1,009	1,009
11	Accumulated Deferred Income Taxes Federal & State - No Pr	(750)	(500)	(250)	0	250	500	750	1,000	1,250	1,500	1,750	2,000	2,000
12	Ending rate base	856,607	1,151,686	2,046,908	2,954,776	3,862,622	4,803,748	5,730,096	6,689,724	7,616,300	8,758,091	9,874,232	11,023,673	11,023,673
13	Average rate base	422,530	422,530	422,530	422,530	422,530	422,530	422,530	422,530	422,530	422,530	422,530	422,530	5,070,361
14	Return on Rate Base	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	340,118
15	Available for return (equity portion of rate base)	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	237,756
16	Available for return (equity portion of rate base)	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	237,756
17	Available for return (equity portion of rate base)	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	237,756
18	Available for return (equity portion of rate base)	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	237,756
19	Available for return (equity portion of rate base)	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	237,756
20	EXPENSES													
21	O&M and Depreciation													
22	Operating Costs (annual fees)	10,067	10,067	10,067	10,067	10,067	10,067	10,067	10,067	10,067	10,067	10,067	10,067	120,800
23	Property Tax	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Book Depreciation	0	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	4,761	52,375
25	Total O&M and Depreciation Expense	10,067	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	173,175
26	Total O&M and Depreciation Expense	10,067	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	14,828	173,175
27	Income before Taxes													
28	Available for return (from above)	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	19,813	237,756
29	Taxable Income (grossed up)	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	300,956
30	Taxable Income (grossed up)	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	25,080	300,956
31	Income Taxes													
32	Current Income Tax	4,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	5,517	65,201
33	Def Income Tax	750	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(2,000)
34	Total Income Tax Expense	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	63,201
35	Total Income Tax Expense	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	63,201
36	Total Income Tax Expense	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	5,267	63,201
37	REVENUE REQUIREMENTS													
38	Expenses	15,333	20,095	20,095	20,095	20,095	20,095	20,095	20,095	20,095	20,095	20,095	20,095	236,376
39	Return on rate base	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	28,343	340,118
40	Subtotal revenue requirements	43,677	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	576,494
41	Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Total revenue requirements	43,677	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	576,494
43	Total revenue requirements	43,677	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	48,438	576,494
44	South Dakota - C9 factor	4,219	4,679	4,679	4,679	4,679	4,679	4,679	4,679	4,679	4,679	4,679	4,679	55,688

Line No.	SUPPORTING INFORMATION / DATA
1	SD Cap Structure with allowed ROE per order.
2	Capital Structure
3	Debt
4	Preferred equity
5	Common equity
6	Total
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	

Ratio	Cost	WA Cost	Property tax
46.41%	4.35%	2.02%	2024 composite rate
0.00%	0.00%	0.00%	1.14%
53.59%	8.75%	4.69%	
100.00%		6.7080%	Overall Return

Book	Tax
15	15-year MACRS

Fed Portion	State Portion
21.00%	0.00%
1.26582	
9.660%	