

Bad Debt Adjustment

Adjusted Test Year Ended December 31, 2024

Line	Calendar Year		Billed Revenue	Bad Debt Expense	Uncollectible Rate
	(a)	(b)	(c)	(d)	
1	2022	43,762,019	\$ 61,768	0.14%	
2	2023	44,437,621	\$ 115,956	0.26%	
3	2024	40,297,989	\$ 108,181	0.27%	
4	3-Year Average	<u>\$ 42,832,543</u>	<u>\$ 95,302</u>	<u>0.22%</u>	
Staff's Adjusted Test Year Revenue		3-Year Average Bad Debt %	Staff's Adjusted Bad Debt		
5	\$ 36,678,136	0.22%	81,608		
6		SD Per Books	\$ 108,181		
7		Staff's Adjustment	(26,573)		
Staff's Revenue Deficiency		3-Year Average Bad Debt %	Bad Debt Adjustment on Staff's Revenue Deficiency		
8	9,529,923	0.22%	21,204		
9			Total Bad Debt Adjustment		
			\$ (5,369)		

SOURCES:

- Lines 1-3, column b: Otter Tail response to Staff DR 7.15
- Lines 1-3, column c: Otter Tail response to Staff DR 6.16
- Lines 1-3, column d: column c divided by column b
- Line 4, columns b and c: average of lines 1 through 3
- Line 4, column d: column c divided by column b
- Line 5, column a: PJS-1 Sch 2, column d, line 2
- Line 5, column b: Line 4, column d
- Line 5, column c: column a * column b
- Line 6, column c: Line 3, column c
- Line 7, column c: line 5 less line 6
- Line 8, column a: PJS-1 Sch 1, column b, line 10
- Line 8, column b: Line 4, column d
- Line 8, column c: line a & line b
- Line 9, column c: line 7 plus line 8