

OTTER TAIL POWER COMPANY
INCOME TAX
FOR THE YEAR ENDED DECEMBER 31, 2024

| Line No. | Description | (A) | (B) | (C) | (D) |
|----------|--|----------------------|-----------------------|-----------------------|----------------------|
| | | Total Company | | | SD Share |
| | | 2024 Regulatory Year | Adjustments | 2024 Test Year | 2024 Test Year |
| 1 | Wind Investment Tax Credit & Production Tax Credit | (\$20,858,964) | (\$29,296,237) | (\$50,155,201) | (\$4,568,472) |
| 2 | | | | | |
| 3 | Deferred Income Taxes | | | | |
| | Federal Flow Thru | (6,764) | | (6,764) | |
| 4 | Transfer of federal current income taxes due to NOL | (\$232,663) | (\$9,653,399) | (\$9,886,062) | (\$2,537,005) |
| 5 | Federal (NEPIS) | \$12,411,906 | | \$12,411,906 | \$1,123,495 |
| 6 | | | | | |
| 7 | Transfer of Minnesota current income taxes due to NOL | (\$19,091) | (\$1,979,932) | (\$1,999,023) | |
| 8 | Minnesota (NPISM) | \$4,240,825 | | \$4,240,825 | |
| 9 | Transfer of North Dakota current income taxes due to NOL | | (\$373,204) | (\$373,204) | |
| 10 | North Dakota (NPISN) | \$1,519,178 | | \$1,519,178 | |
| 11 | Total Deferred Income Taxes | \$17,913,391 | (\$12,006,535) | \$5,906,856 | (\$1,413,510) |
| 12 | Current Income Taxes | | | | |
| 13 | Federal Income Taxes | | (\$9,886,062) | (\$9,886,062) | (\$2,537,005) |
| 14 | Transfer of federal current income taxes due to NOL | | | | \$2,537,005 |
| 15 | Minnesota Income Taxes (Direct MN) | | (\$1,999,023) | (\$1,999,023) | |
| 16 | North Dakota Income Taxes (Direct ND) | \$248,636 | (\$621,840) | (\$373,204) | |
| 18 | Total Current Income Taxes | \$248,636 | (\$12,506,925) | (\$12,258,289) | |
| 19 | | | | | |
| 20 | Total Income Taxes | (\$2,696,937) | (\$53,809,697) | (\$56,506,634) | (\$5,981,982) |

**OTTER TAIL POWER COMPANY
INTEREST EXPENSE - ANNUALIZATION ADJUSTMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2024**

| | | Total Company | | | |
|----------|--|----------------------|-----------------------|---------------------|-----|
| | | (A) | (B) | (C) | (D) |
| Line No. | Description | 2024 Regulatory Year | Adjustments | 2024 Test Year | |
| 1 | Net Operating Income Before Tax (NOIBT) | \$117,996,696 | (\$31,701,568) | \$86,295,129 | |
| 2 | Less: Interest Cost | \$39,224,614 | \$14,267,000 | \$53,491,614 | |
| 3 | | \$78,772,082 | (\$45,968,568) | \$32,803,514 | |
| 4 | | | | | |
| 5 | Flow-Through | | | | |
| 2 | Above the Line/Utility | | | | |
| 3 | M-00640 MN Minimum Fee | \$11,570 | | \$11,570 | |
| 4 | | | | | |
| 5 | Permanent | | | | |
| 6 | Above the Line/Utility | | | | |
| 7 | P-00100 AFUDC (Equity) | (\$2,794,203) | | (\$2,794,203) | |
| 8 | P-00110 Meals & Entertainment - 50% Disallowance | \$270,941 | | \$270,941 | |
| 9 | P-00120 ESOP Deduction | (\$1,155,500) | | (\$1,155,500) | |
| 10 | P-00140 Lobbying Expenses (Non-deductible) | \$405,672 | | \$405,672 | |
| 11 | P-00150 Restricted Stock Incentive | (\$253,583) | | (\$253,583) | |
| 12 | P-00171 Performance Shares | (\$740,880) | | (\$740,880) | |
| 13 | P-00172 Employee Stock Purchase Plan | \$213,587 | | \$213,587 | |
| 14 | P-00250 Parking Lot Expenses (Non-deductible) | \$74,322 | | \$74,322 | |
| 15 | | | | | |
| 19 | Temporary | | | | |
| 20 | Above the Line/Utility | | | | |
| 21 | M-00220 Accrued Vacation Payable | (\$275,318) | | (\$275,318) | |
| 22 | M-00240 Restricted Stock | \$555,652 | | \$555,652 | |
| 23 | M-00245 Performance Shares | \$109,723 | | \$109,723 | |
| 24 | M-00250 Pension | (\$4,173,756) | | (\$4,173,756) | |
| 25 | M-00290 Supplemental Pension Reserve | (\$991,506) | | (\$991,506) | |
| 26 | M-00295 Executive Restoration Plus Plan | \$424,512 | | \$424,512 | |
| 27 | M-00300 Post Retirement Benefits Plan | (\$5,672,839) | | (\$5,672,839) | |
| 28 | M-00310 Post Employment Benefit Plan | (\$643,158) | | (\$643,158) | |
| 29 | M-00335 Rate Rider Mechanisms | \$15,523,321 | | \$15,523,321 | |
| 30 | M-00363 Deferred HLP Cost Recovery | (\$349,567) | | (\$349,567) | |
| 31 | M-00390 ND Rate Case Deferred Expenses | (\$261,512) | | (\$261,512) | |

**OTTER TAIL POWER COMPANY
INTEREST EXPENSE - ANNUALIZATION ADJUSTMENT
FOR THE TEST YEAR ENDED DECEMBER 31, 2024**

| | | Total Company | | | |
|----------|---|-----------------------|----------------|-----------------------|----------------|
| | | (A) | (B) | (C) | (D) |
| Line No. | Description | 2024 Regulatory Year | Adjustments | 2024 Test Year | |
| 32 | M-00410 MN Rate Case Deferred Expenses | \$377,088 | | \$377,088 | |
| 33 | M-00440 Bad Debt Expenses | \$1,576 | | \$1,576 | |
| 34 | M-00480 Workman's Compensation | \$52,670 | | \$52,670 | |
| 35 | M-00530 Unicap Adjustments | \$57,580 | | \$57,580 | |
| 36 | M-00580 Bonus Incentive | (\$1,233,074) | | (\$1,233,074) | |
| 37 | M-10016 Prepaid Expenses | (\$15,595) | | (\$15,595) | |
| 43 | | | | | |
| 44 | Temporary - Plant Tax | | | | |
| 45 | Above the Line/Utility | | | | |
| 46 | M-00130 Highway Reimbursements | (\$1,207,557) | | (\$1,207,557) | |
| 47 | M-00140 Removal Costs | \$9,016,570 | | \$9,016,570 | |
| 48 | M-00150 AFUDC on Debt | (\$1,863,989) | | (\$1,863,989) | |
| 49 | M-00160 Interest Capitalized on Construction | \$2,641,343 | | \$2,641,343 | |
| 50 | M-00190 Customer Rebates | \$110,260 | | \$110,260 | |
| 51 | M-00800 Book Depreciation | \$65,466,474 | | \$65,466,474 | |
| 52 | M-00800 Tax Depreciation | (\$154,241,622) | | (\$154,241,622) | |
| 55 | P-00240 Income from ACRS & MACRS Property | \$692,368 | | \$692,368 | |
| 58 | | | | | |
| 59 | Total | (\$79,880,000) | | (\$79,880,000) | |
| | Subtotal Federal Schedule M Adjustments | | | (\$1,107,918) | (\$47,076,486) |
| | Federal Adjusted Income Before Taxes | | (\$45,968,568) | (\$47,076,486) | |
| | <u>Less:</u> | | | | |
| | State Income Taxes | | | | |
| | Federal Taxable Income | (\$1,107,918) | (\$45,968,568) | (\$47,076,486) | |
| | Federal Tax Rate | 21.00% | 21.00% | 21.00% | |
| | Federal Income Tax Before Credits | (\$232,663) | (\$9,653,399) | (\$9,886,062) | |
| | Investment Tax Credit - Debits Utilized | | | | |
| | Federal Income Taxes before transfer to deferred due to NOL | | | | |
| | FEDERAL INCOME TAXES | (\$232,663) | (\$9,653,399) | (\$9,886,062) | |
| | Tax Savings Due to Consolidation: | | | | |
| | There will be no tax savings as a result of filing a consolidated tax return for the test year ended December 31, 2024. | | | | |
| | Abnormalities for Test Period: | | | | |
| | None | | | | |