

**Otter Tail Power Company  
Allocated Cost of Service  
2024 Regulatory Year and Test Year**

Statement N, pages 2 – 9, are the regulatory and test period cost of service allocated to classes of customers. The remaining detail for the regulatory and test period cost of service allocated to customer classes appears in Volume 4A, 2024 Test Year Workpapers and 2024 Actual Year Workpapers, respectively. Adjustments to the Regulatory Year to arrive at the 2024 Test Year can also be found in Volume 4A, 2024 Test Year Work Papers. Otter Tail's Cost Allocation Procedures Manual appears in Exhibit \_\_ (AMS-1), Schedule 2.

1. Grouping and allocation of various items of cost and credits to cost of service into functional totals appear in the cost of service study located in Volume 4A, Tab – 1 2024 Test Year Work Papers.
2. Classification of items of cost and credits into demand, energy, customer or other appropriate categories appear in the cost of service study located in Volume 4A, Tab – 1 2024 Test Year Work Papers.
3. Otter Tail does not consider for rate purposes any special facilities to be devoted entirely to the jurisdictional service involved.
4. Computations showing the energy responsibilities of the jurisdictional service, based upon consideration of energy sales under the proposed rate schedules and the kWh delivered from the filing public utility's supply system, appear in the cost of service study located in Volume 4A, Tab – 1 2024 Test Year Work Papers in the energy allocation factors E1 and E2.
5. Otter Tail's peak electric hour losses are 13.07%. System energy losses applicable to jurisdictional sales are 3.75% to 10.35% of Otter Tail's system output depending on the class of service.
6. Details of allocation of general or common or joint costs to various functions appear in Exhibit \_\_ (AMS-1), Schedule 2.
7. Sufficient detailed breakdown of operation and maintenance expense accounts and taxes to disclose how component items have been classified among energy, class of customer or other category of cost appears in Exhibit \_\_ (AMS-1), Schedule 2.

OTTER TAIL POWER COMPANY  
JURISDICTIONAL COST OF SERVICE STUDY  
Regulatory Year 2024

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Description	Total	Residential	Farms	General Service	Large General Service	Irrigation	Outdoor Lighting	OPA	Controlled Service Water Heating/Deferred Load	Controlled Service Interruptible	Controlled Service - Off-Peak
1	Rate Base	\$154,285,324	\$42,726,796	\$2,951,312	\$30,886,885	\$66,012,766	\$152,688	\$2,667,545	\$1,376,834	\$1,956,604	\$4,066,839	\$1,487,053
2	Total Available for Return	\$8,058,401	\$2,084,767	(\$17,721)	\$2,201,309	\$2,024,628	(\$5,216)	\$321,230	\$3,189	(\$227,113)	\$1,467,583	\$205,746
3	Rate of Return Earned	5.22%	4.88%	(0.60%)	7.13%	3.07%	(3.42%)	12.04%	0.23%	(11.61%)	36.09%	13.84%
4	Rate of Return Requested	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%	6.82%
5	Operating Income Required	\$10,522,374	\$2,913,999	\$201,282	\$2,106,509	\$4,502,120	\$10,413	\$181,929	\$93,901	\$133,442	\$277,361	\$101,418
6	Operating Income Deficiency	\$2,463,973	\$829,233	\$219,003	(\$94,800)	\$2,477,492	\$15,630	(\$139,301)	\$90,712	\$360,555	(\$1,190,222)	(\$104,328)
7	Gross Revenue Conversion	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823
8	Revenue Increase Required	\$3,118,953	\$1,049,662	\$277,219	(\$120,000)	\$3,136,066	\$19,784	(\$176,331)	\$114,825	\$456,399	(\$1,506,610)	(\$132,061)

OTTER TAIL POWER COMPANY  
JURISDICTIONAL COST OF SERVICE STUDY  
Regulatory Year 2024

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Description	Total	Residential	Farms	General Service	Large General Service	Irrigation	Outdoor Lighting	OPA	Controlled Service Water Heating/Deferred Load	Controlled Service Interruptible	Controlled Service Off-Peak
1	Electric Plant in Service	\$265,300,288	\$73,520,715	\$5,086,339	\$52,736,233	\$113,570,502	\$269,204	\$4,731,113	\$2,359,418	\$3,438,869	\$6,999,421	\$2,588,476
2	Accumulated Depreciation	(\$98,438,566)	(\$27,357,895)	(\$1,898,186)	(\$19,353,601)	(\$42,071,024)	(\$104,935)	(\$1,853,753)	(\$870,173)	(\$1,332,344)	(\$2,614,553)	(\$982,102)
3	Net Electric Plant in Service	\$166,861,722	\$46,162,819	\$3,188,153	\$33,382,632	\$71,499,478	\$164,269	\$2,877,360	\$1,489,244	\$2,106,525	\$4,384,868	\$1,606,374
4	Plant Held for Future Use	\$184	\$56	\$4	\$42	\$71	\$0	\$3	\$2	\$2	\$4	\$1
5	Materials and Supplies	\$4,468,668	\$1,341,584	\$91,351	\$929,973	\$1,692,991	\$6,145	\$105,172	\$39,232	\$72,523	\$143,472	\$46,226
6	Fuel Stocks	\$986,957	\$230,010	\$16,541	\$195,276	\$519,557	\$5,143	\$9,335	\$2,455	\$2,455	\$3,981	\$4,659
7	Prepayments	\$6,325,726	\$1,753,040	\$120,578	\$1,266,981	\$2,711,772	\$6,127	\$108,884	\$56,542	\$78,062	\$163,668	\$60,072
8	Customer Advances	(\$237,582)	(\$65,841)	(\$4,529)	(\$47,585)	(\$101,849)	(\$230)	(\$4,089)	(\$2,124)	(\$2,932)	(\$6,147)	(\$2,256)
9	Cash Working Capital	\$1,001,763	\$278,363	\$18,165	\$191,830	\$446,593	\$699	\$9,432	\$9,221	\$11,134	\$26,068	\$10,259
10	Accumulated Deferred Income Taxes	(\$25,122,115)	(\$6,973,235)	(\$478,950)	(\$5,032,264)	(\$10,755,846)	(\$24,321)	(\$434,359)	(\$224,618)	(\$311,164)	(\$649,075)	(\$238,282)
11												
12	Total	\$154,285,324	\$42,726,796	\$2,951,312	\$30,886,885	\$66,012,766	\$152,688	\$2,667,545	\$1,376,834	\$1,956,604	\$4,066,839	\$1,487,053

OTTER TAIL POWER COMPANY  
JURISDICTIONAL COST OF SERVICE STUDY  
Regulatory Year 2024

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Description	Total	Residential	Farms	General Service	Large General Service	Irrigation	Outdoor Lighting	OPA	Controlled Service Water Heating/Deferred Load	Controlled Service Interruptible	Controlled Service - Off-Peak
1	Sales of Electricity	\$40,397,453	\$11,261,967	\$583,458	\$8,511,057	\$16,040,436	\$20,319	\$696,994	\$300,316	\$159,285	\$2,297,458	\$526,164
2	Other Operating Revenue	\$2,882,383	\$779,071	\$52,291	\$534,939	\$1,311,055	\$2,401	\$37,064	\$25,429	\$30,260	\$78,882	\$30,992
3	<b>Total Operating Revenue</b>	<b>\$43,279,836</b>	<b>\$12,041,038</b>	<b>\$635,749</b>	<b>\$9,045,996</b>	<b>\$17,351,490</b>	<b>\$22,719</b>	<b>\$734,058</b>	<b>\$325,745</b>	<b>\$189,545</b>	<b>\$2,376,340</b>	<b>\$557,156</b>
4												
5	Production Expenses	\$15,015,057	\$3,134,467	\$234,848	\$2,376,814	\$8,168,920	\$5,729	\$84,262	\$132,465	\$101,438	\$399,345	\$176,768
6	Transmission Expenses	\$3,374,676	\$1,016,283	\$63,606	\$865,566	\$1,533,882		\$13,194	\$35,941	\$2,601	\$35,232	\$8,370
7	Distribution Expenses	\$2,004,953	\$712,544	\$52,633	\$395,340	\$499,822	\$5,806	\$75,105	\$15,829	\$84,971	\$123,953	\$38,950
8	Customer Accounting Expenses	\$1,203,997	\$807,505	\$29,692	\$285,713	\$101,136	\$1,484	\$4,525	\$15,909	\$29,728	\$14,651	\$4,654
9	Customer Service and Information Expenses	\$879,652	\$256,298	\$15,319	\$144,011	\$409,705	\$586	\$4,915	\$7,632	\$6,127	\$24,531	\$10,527
10	Sales Expenses	\$105,333	\$80,036	\$2,994	\$20,248	\$500	\$149	\$421	\$983			
11	Administrative and General Expenses	\$5,289,469	\$1,826,410	\$111,337	\$1,094,518	\$1,846,374	\$6,049	\$84,271	\$49,758	\$90,133	\$132,776	\$47,843
12	Depreciation Expense	\$7,276,844	\$2,028,507	\$139,315	\$1,421,120	\$3,121,037	\$7,537	\$130,545	\$64,557	\$97,050	\$193,855	\$73,320
13	General Taxes	\$1,255,438	\$347,918	\$23,931	\$251,452	\$538,193	\$1,216	\$21,610	\$11,222	\$15,493	\$32,482	\$11,922
14	<b>Total Operating Expenses</b>	<b>\$36,605,418</b>	<b>\$10,209,969</b>	<b>\$673,676</b>	<b>\$7,054,784</b>	<b>\$16,128,570</b>	<b>\$28,556</b>	<b>\$418,848</b>	<b>\$334,296</b>	<b>\$427,541</b>	<b>\$956,825</b>	<b>\$372,354</b>
15												
16	<b>Net Operating Income Before Income Taxes</b>	<b>\$6,674,418</b>	<b>\$1,831,069</b>	<b>(\$37,927)</b>	<b>\$1,991,212</b>	<b>\$1,222,920</b>	<b>(\$5,837)</b>	<b>\$315,210</b>	<b>(\$8,551)</b>	<b>(\$237,996)</b>	<b>\$1,419,515</b>	<b>\$184,802</b>
17												
18	Investment Tax Credit	(\$1,644,450)	(\$325,880)	(\$25,170)	(\$262,266)	(\$913,367)	(\$873)	(\$10,503)	(\$14,068)	(\$14,098)	(\$54,807)	(\$23,418)
19	Deferred Income Taxes	\$1,041,050	\$288,505	\$19,844	\$208,512	\$446,287	\$1,008	\$17,920	\$9,305	\$12,847	\$26,935	\$9,886
20	Income Taxes	(\$780,584)	(\$216,322)	(\$14,879)	(\$156,343)	(\$334,628)	(\$756)	(\$13,436)	(\$6,977)	(\$9,633)	(\$20,196)	(\$7,413)
21	<b>Total Income Tax Expense</b>	<b>(\$1,383,984)</b>	<b>(\$253,697)</b>	<b>(\$20,206)</b>	<b>(\$210,097)</b>	<b>(\$801,707)</b>	<b>(\$621)</b>	<b>(\$6,020)</b>	<b>(\$11,740)</b>	<b>(\$10,883)</b>	<b>(\$48,068)</b>	<b>(\$20,944)</b>
22												
23	<b>Net Operating Income</b>	<b>\$8,058,401</b>	<b>\$2,084,767</b>	<b>(\$17,721)</b>	<b>\$2,201,309</b>	<b>\$2,024,628</b>	<b>(\$5,216)</b>	<b>\$321,230</b>	<b>\$3,189</b>	<b>(\$227,113)</b>	<b>\$1,467,583</b>	<b>\$205,746</b>
24												
25	<b>Total Available for Return</b>	<b>\$8,058,401</b>	<b>\$2,084,767</b>	<b>(\$17,721)</b>	<b>\$2,201,309</b>	<b>\$2,024,628</b>	<b>(\$5,216)</b>	<b>\$321,230</b>	<b>\$3,189</b>	<b>(\$227,113)</b>	<b>\$1,467,583</b>	<b>\$205,746</b>

**Otter Tail Power Company**  
**STATEMENT N**  
**Regulatory Year 2024**  
**2024 ACTUAL YEAR**

Line No.	Description
1	The remaining detail for the 2024 Actual Year Class Cost of Service Study can be f
2	in Volume 4A, Tab - 2024 Actual Year.

OTTER TAIL POWER COMPANY  
JURISDICTIONAL COST OF SERVICE STUDY  
Regulatory Year 2024

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Line No.	Description	Total	Residential	Farms	General Service	Large General Service	Irrigation	Outdoor Lighting	OPA	Controlled Service Water Heating/Deferred Load	Controlled Service Interruptible	Controlled Service - Off-Peak
1	Rate Base	\$194,298,975	\$51,144,234	\$3,713,416	\$32,975,249	\$96,273,340		\$2,955,870		\$371,040	\$4,231,909	\$2,633,916
2	Total Available for Return	\$6,489,073	\$669,881	\$72,986	\$1,216,289	\$4,427,033		\$150,649		\$7,265	(\$37,444)	(\$17,586)
3	Rate of Return Earned	3.34%	1.31%	1.97%	3.69%	4.60%		5.10%		1.96%	(0.88%)	(0.67%)
4	Rate of Return Requested	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%
5	Operating Income Required	\$16,098,137	\$4,237,423	\$307,665	\$2,732,079	\$7,976,478		\$244,901		\$30,742	\$350,624	\$218,226
6	Operating Income Deficiency	\$9,609,064	\$3,567,542	\$234,679	\$1,515,790	\$3,549,445		\$94,252		\$23,476	\$388,067	\$235,813
7	Gross Revenue Conversion	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823	1.265823
8	Revenue Increase Required	\$12,163,372	\$4,515,876	\$297,063	\$1,918,721	\$4,492,968		\$119,306		\$29,717	\$491,225	\$298,497

OTTER TAIL POWER COMPANY  
JURISDICTIONAL COST OF SERVICE STUDY  
Regulatory Year 2024

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line No.	Description	Total	Residential	Farms	General Service	Large General Service	Outdoor Lighting	Controlled Service Water Heating/Deferred Load	Controlled Service Interruptible	Controlled Service - Off-Peak
1	Electric Plant in Service	\$308,912,258	\$81,687,910	\$5,943,775	\$52,414,737	\$152,477,710	\$4,897,978	\$573,010	\$6,727,226	\$4,189,913
2	Accumulated Depreciation	(\$102,775,576)	(\$27,410,241)	(\$2,014,423)	(\$17,426,799)	(\$50,215,749)	(\$1,761,078)	(\$183,818)	(\$2,306,571)	(\$1,456,898)
3	Net Electric Plant in Service	\$206,136,682	\$54,277,668	\$3,929,353	\$34,987,937	\$102,261,962	\$3,136,900	\$389,193	\$4,420,655	\$2,733,015
4	Plant Held for Future Use	\$197	\$57	\$4	\$35	\$94	\$3	\$0	\$3	\$2
5	Materials and Supplies	\$5,306,666	\$1,557,344	\$116,412	\$903,879	\$2,329,329	\$129,042	\$5,764	\$165,380	\$99,515
6	Fuel Stocks	\$1,068,716	\$237,817	\$16,684	\$184,018	\$620,537	\$5,075	\$1,812		\$2,773
7	Prepayments	\$6,826,685	\$1,797,279	\$129,425	\$1,159,789	\$3,397,633	\$101,687	\$12,496	\$141,691	\$86,685
8	Customer Advances	(\$256,397)	(\$67,502)	(\$4,861)	(\$43,559)	(\$127,609)	(\$3,819)	(\$469)	(\$5,322)	(\$3,256)
9	Cash Working Capital	\$827,504	\$218,819	\$15,216	\$139,349	\$411,520	\$8,245	\$2,735	\$19,344	\$12,275
10	Accumulated Deferred Income Taxes	(\$26,146,077)	(\$7,018,098)	(\$498,959)	(\$4,447,090)	(\$12,886,395)	(\$429,232)	(\$41,470)	(\$520,947)	(\$303,885)
11										
12	Unamortized Rate Case Expense	\$535,000	\$140,851	\$10,143	\$90,891	\$266,269	\$7,969	\$979	\$11,104	\$6,793
13	<b>Total</b>	<b>\$194,298,975</b>	<b>\$51,144,234</b>	<b>\$3,713,416</b>	<b>\$32,975,249</b>	<b>\$96,273,340</b>	<b>\$2,955,870</b>	<b>\$371,040</b>	<b>\$4,231,909</b>	<b>\$2,633,916</b>

OTTER TAIL POWER COMPANY  
JURISDICTIONAL COST OF SERVICE STUDY  
Regulatory Year 2024

		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line No.	Description	Total	Residential	Farms	General Service	Large General Service	Outdoor Lighting	Controlled Service Water Heating/Deferred Load	Controlled Service Interruptible	Controlled Service - Off-Peak
1	Sales of Electricity	\$39,310,253	\$9,632,834	\$700,036	\$6,755,112	\$20,368,993	\$554,787	\$95,943	\$725,816	\$476,730
2	Other Operating Revenue	\$3,135,737	\$819,390	\$52,501	\$538,775	\$1,644,420	\$18,291	\$6,413	\$36,318	\$19,629
3	<b>Total Operating Revenue</b>	<b>\$42,445,991</b>	<b>\$10,452,224</b>	<b>\$752,538</b>	<b>\$7,293,887</b>	<b>\$22,013,414</b>	<b>\$573,078</b>	<b>\$102,356</b>	<b>\$762,134</b>	<b>\$496,359</b>
4										
5	Production Expenses	\$16,794,446	\$3,416,336	\$251,476	\$2,743,776	\$9,727,136	\$79,400	\$71,878	\$326,238	\$178,206
6	Transmission Expenses	\$3,991,729	\$942,826	\$61,646	\$659,578	\$2,252,709	\$15,597	\$5,901	\$35,570	\$17,903
7	Distribution Expenses	\$2,638,885	\$886,048	\$79,850	\$455,627	\$804,873	\$102,537	\$6,484	\$171,801	\$131,665
8	Customer Accounting Expenses	\$769,645	\$585,641	\$23,120	\$154,515	\$5,223	\$1,146			
9	Customer Service and Information Expenses	\$900,817	\$263,257	\$15,612	\$150,024	\$433,593	\$4,164	\$4,022	\$19,840	\$10,304
10	Sales Expenses	\$105,334	\$80,030	\$3,143	\$21,028	\$711	\$421			
11	Administrative and General Expenses	\$6,275,865	\$2,066,021	\$136,601	\$1,091,362	\$2,600,086	\$96,333	\$12,936	\$161,097	\$111,429
12	Depreciation Expense	\$9,011,965	\$2,413,234	\$174,605	\$1,524,503	\$4,402,950	\$144,774	\$18,336	\$206,148	\$127,416
13	General Taxes	\$1,450,213	\$381,801	\$27,494	\$246,378	\$721,769	\$21,602	\$2,655	\$30,100	\$18,415
14	<b>Total Operating Expenses</b>	<b>\$41,938,900</b>	<b>\$11,035,194</b>	<b>\$773,547</b>	<b>\$7,046,791</b>	<b>\$20,949,050</b>	<b>\$465,974</b>	<b>\$122,213</b>	<b>\$950,794</b>	<b>\$595,337</b>
15										
16	<b>Net Operating Income Before Income Taxes</b>	<b>\$507,091</b>	<b>(\$582,969)</b>	<b>(\$21,009)</b>	<b>\$247,096</b>	<b>\$1,064,363</b>	<b>\$107,104</b>	<b>(\$19,857)</b>	<b>(\$188,659)</b>	<b>(\$98,978)</b>
17										
18	Investment Tax Credit	(\$4,568,472)	(\$880,712)	(\$67,197)	(\$729,051)	(\$2,659,167)	(\$22,490)	(\$24,535)	(\$121,878)	(\$63,443)
19	Deferred Income Taxes	\$1,123,495	\$295,785	\$21,300	\$190,871	\$559,162	\$16,735	\$2,056	\$23,319	\$14,266
20	Income Taxes	(\$2,537,005)	(\$667,924)	(\$48,098)	(\$431,013)	(\$1,262,664)	(\$37,790)	(\$4,644)	(\$52,657)	(\$32,215)
21	<b>Total Income Tax Expense</b>	<b>(\$5,981,982)</b>	<b>(\$1,252,850)</b>	<b>(\$93,995)</b>	<b>(\$969,193)</b>	<b>(\$3,362,669)</b>	<b>(\$43,545)</b>	<b>(\$27,122)</b>	<b>(\$151,216)</b>	<b>(\$81,392)</b>
22										
23	<b>Net Operating Income</b>	<b>\$6,489,073</b>	<b>\$669,881</b>	<b>\$72,986</b>	<b>\$1,216,289</b>	<b>\$4,427,033</b>	<b>\$150,649</b>	<b>\$7,265</b>	<b>(\$37,444)</b>	<b>(\$17,586)</b>
24										
25	<b>Total Available for Return</b>	<b>\$6,489,073</b>	<b>\$669,881</b>	<b>\$72,986</b>	<b>\$1,216,289</b>	<b>\$4,427,033</b>	<b>\$150,649</b>	<b>\$7,265</b>	<b>(\$37,444)</b>	<b>(\$17,586)</b>



**Otter Tail Power Company**  
**STATEMENT N**  
**Regulatory Year 2024**  
**2024 TEST YEAR**

Line No.	Description
1	The remaining detail of the 2024 Test Year Class Cost of Service Study can be found in Volume 4A, Tab - 2024 Test Year Work Papers.
2	