

FLOTATION COST ADJUSTMENT

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Company	Ticker	Date [i]	Shares Issued (000)	Offering Price	Under-writing Discount [ii]	Offering Expense (\$000)	Net Proceeds Per Share	Total Flotation Costs (\$000)	Gross Equity Issue Before Costs (\$000)	Net Proceeds (\$000)	Flotation Cost Percentage
Otter Tail Corporation - Secondary	OTTR	2004-05	3,075.00	25.45	0.95	391.45	24.37	3,312.70	78,258.75	74,946.05	4.23%
Otter Tail Corporation - Secondary	OTTR	2008	5,175.00	30.00	1.09	807.19	28.76	6,435.00	155,250.00	148,815.00	4.14%
Otter Tail Corporation - ESPP	OTTR	2004	66.96	19.31	-	-	19.31	0.00	1,293.00	1,293.00	0.00%
Otter Tail Corporation - ESPP	OTTR	2009	62.45	19.18	-	-	19.18	0.00	1,197.79	1,197.79	0.00%
Otter Tail Corporation - ESPP	OTTR	2014	39.22	26.75	-	-	26.75	0.00	1,049.14	1,049.14	0.00%
Otter Tail Corporation - ESPP	OTTR	2015	42.25	25.93	-	-	25.93	0.00	1,095.54	1,095.54	0.00%
Otter Tail Corporation - ESPP	OTTR	2016	53.88	27.68	-	1.16	27.66	1.16	1,491.40	1,490.24	0.08%
Otter Tail Corporation - ESPP	OTTR	2017	5.28	39.85	-	0.37	39.78	0.37	210.41	210.04	0.17%
Otter Tail Corporation - ESPP	OTTR	2019	15.45	44.3	-	0.84	44.25	0.84	684.44	683.60	0.12%
Otter Tail Corporation - ESPP	OTTR	2020	24.37	35.9	-	1.54	35.84	1.54	874.78	873.24	0.18%
Otter Tail Corporation - DRIP	OTTR	2004	223.17	19.3	-	-	19.30	0.00	4,307.18	4,307.18	0.00%
Otter Tail Corporation - DRIP	OTTR	2009	233.94	19.21	-	5.88	19.18	5.88	4,493.99	4,488.11	0.13%
Otter Tail Corporation - DRIP	OTTR	2014	288.05	26.76	-	-	26.76	0.00	7,708.22	7,708.22	0.00%
Otter Tail Corporation - DRIP	OTTR	2015	330.38	25.93	-	56.55	25.76	56.55	8,566.75	8,510.20	0.66%
Otter Tail Corporation - DRIP	OTTR	2016	302.52	36.68	-	32.97	36.57	32.97	11,096.43	11,063.46	0.30%
Otter Tail Corporation - DRIP	OTTR	2017	107.29	38.58	-	17.55	38.42	17.55	4,139.25	4,121.70	0.42%
Otter Tail Corporation - DRIP	OTTR	2019	51.35	49.58	-	7.13	49.44	7.13	2,545.93	2,538.80	0.28%
Otter Tail Corporation - DRIP	OTTR	2020	190.68	42.03	-	20.93	41.92	20.93	8,014.92	7,993.99	0.26%
Otter Tail Corporation - ATM	OTTR	2014	519.64	29.51	0.59	780.62	27.42	1,087.36	15,334.58	14,247.21	7.09%
Otter Tail Corporation - ATM	OTTR	2015	133.20	28.42	0.42	339.16	25.45	395.65	3,785.54	3,389.89	10.45%
Otter Tail Corporation - ATM	OTTR	2016	1,014.12	32.77	-	561.55	32.22	561.55	33,235.73	32,674.18	1.69%
Otter Tail Corporation - ATM	OTTR	2019	372.00	50.96	1.55	237.22	48.77	814.35	18,957.30	18,142.95	4.30%
Otter Tail Corporation - ATM	OTTR	2020	843.48	42.89	-	452.23	42.36	452.23	36,178.36	35,726.13	1.25%
Total								\$ 13,203.76	\$ 399,769.43	\$ 386,565.67	
WEIGHTED AVERAGE FLOTATION COSTS										3.30%	

[i] Offering Completion Date

[ii] Underwriting discount is calculated as the market price minus the offering price when not explicitly given in the prospectus.

The flotation cost adjustment is derived by dividing the dividend yield by $1 - F$ (where F = flotation costs expressed in percentage terms), or by 1.0000, and adding that result to the constant growth rate to determine the cost of equity. Using the formulas shown previously in my testimony, the Constant Growth DCF calculation is modified as follows to accommodate an adjustment for flotation costs:

$$k = \frac{D \times (1 + 0.5g)}{P \times (1 - F)} + g$$

		[11]	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]
Company	Ticker	Annualized Dividend	Stock Price	Dividend Yield	Expected Dividend Yield	Expected Dividend Yield Adjusted for Flotation Costs	Value Line Earnings Growth	CapIQ EPS Growth	Zacks Earnings Growth	Average Earnings Growth	Cost of Equity: Mean Growth Rate	Cost of Equity Adjusted for Flotation Costs
Alliant Energy Corporation	LNT	\$2.03	\$62.07	3.27%	3.38%	3.49%	6.00%	6.71%	6.70%	6.47%	9.85%	9.96%
Ameren Corporation	AEE	\$2.84	\$98.55	2.88%	2.98%	3.08%	6.50%	6.93%	7.00%	6.81%	9.79%	9.89%
American Electric Power Company, Inc.	AEP	\$3.72	\$105.68	3.52%	3.63%	3.76%	6.50%	n/a	6.40%	6.45%	10.08%	10.21%
Avista Corporation	AVA	\$1.96	\$40.73	4.81%	4.95%	5.12%	5.50%	5.98%	6.10%	5.86%	10.82%	10.98%
CMS Energy Corporation	CMS	\$2.17	\$73.06	2.97%	3.07%	3.18%	6.00%	n/a	7.80%	6.90%	9.97%	10.08%
Dominion Resources, Inc.	D	\$2.67	\$53.77	4.97%	5.22%	5.40%	3.50%	13.32%	13.60%	10.14%	15.36%	15.54%
DTE Energy Company	DTE	\$4.36	\$134.39	3.24%	3.35%	3.46%	4.50%	7.42%	7.60%	6.51%	9.86%	9.97%
Duke Energy Corporation	DUK	\$4.18	\$119.60	3.50%	3.60%	3.73%	6.00%	6.32%	6.30%	6.21%	9.81%	9.93%
Entergy Corporation	ETR	\$2.40	\$83.28	2.88%	2.99%	3.09%	3.00%	9.12%	9.50%	7.21%	10.19%	10.29%
Evergy, Inc.	EVRG	\$2.67	\$67.37	3.96%	4.09%	4.23%	7.50%	5.62%	5.70%	6.27%	10.36%	10.50%
IDACORP, Inc.	IDA	\$3.44	\$116.18	2.96%	3.07%	3.18%	6.00%	8.26%	8.50%	7.59%	10.66%	10.76%
NextEra Energy, Inc.	NEE	\$2.27	\$68.56	3.31%	3.44%	3.55%	8.50%	7.70%	7.70%	7.97%	11.40%	11.52%
NorthWestern Corporation	NWE	\$2.64	\$56.81	4.65%	4.78%	4.95%	4.50%	6.32%	6.90%	5.91%	10.69%	10.86%
OGE Energy Corporation	OGE	\$1.69	\$44.74	3.77%	3.89%	4.02%	6.50%	6.66%	6.30%	6.49%	10.38%	10.51%
Pinnacle West Capital Corporation	PNW	\$3.58	\$93.28	3.84%	3.92%	4.05%	5.00%	5.00%	2.10%	4.03%	7.95%	8.08%
Portland General Electric Company	POR	\$2.00	\$43.34	4.62%	4.73%	4.89%	6.50%	4.83%	3.40%	4.91%	9.64%	9.80%
PPL Corporation	PPL	\$1.09	\$35.16	3.10%	3.22%	3.33%	7.50%	7.37%	7.40%	7.42%	10.64%	10.75%
Southern Company	SO	\$2.88	\$90.11	3.20%	3.30%	3.41%	6.50%	6.36%	6.50%	6.45%	9.75%	9.87%
Xcel Energy Inc.	XEL	\$2.28	\$69.62	3.27%	3.40%	3.51%	7.00%	7.84%	7.50%	7.45%	10.84%	10.96%
Mean											10.42%	10.55%
Median											10.19%	10.29%
Flotation Cost Adjustment (Mean)												0.13% [22]
Flotation Cost Adjustment (Median)												0.10% [23]

Notes:

[1] - [5] Source: Company-provided information

[6] Equals [9]/[2]

[7] Equals [5] + ([4] x [2])

[8] Equals [2] x [3]

[9] Equals [8] - [7]

[10] Equals [7] / [8]

[11] Bloomberg Professional

[12] Bloomberg Professional, equals 30-day average as of April 25, 2025

[13] Equals [11] / [12]

[14] Equals [13] x (1 + 0.5 x [19])

[15] Equals [14] / (1 - Flotation Cost)

[16] Value Line

[17] S&P Capital IQ Pro

[18] Zacks Investment Research

[19] Equals Average of [16], [17], [18]

[20] Equals [14] + [19]

[21] Equals [15] + [19]

[22] Equals [21] (Mean) - [20] (Mean)

[23] Equals [21] (Median) - [20] (Median)