

OTTER TAIL POWER COMPANY
ELECTRIC UTILITY - STATE OF SOUTH DAKOTA
OPERATING INCOME STATEMENT SCHEDULES
COMPUTATION OF FEDERAL AND STATE INCOME TAXES

C-4
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		2024 Regulatory Year		2024 Test Year	
		(A)	(B)	(C)	(D)
Line No.	Description	Total Company	South Dakota Jur	Total Company	South Dakota Jur
1	Development of Federal Income Tax Expense				
2	Net Operating Income Before Tax (NOIBT)	\$117,996,696	\$6,674,418	\$86,295,129	\$507,091
3	Less: Interest Cost	\$39,224,614	\$3,691,539	\$53,491,614	\$5,357,529
4	Net Income Before Tax	\$78,772,082	\$2,982,879	\$32,803,514	(\$4,850,438)
5					
6	Federal Schedule M Adjustments:				
7	Sch M Activity - Temporary Plant - Above the Line	\$79,386,153	\$6,658,523	\$79,386,153	\$7,185,836
8	Sch M Activity - Temporary Non-Plant - Above the Line	(\$3,485,797)	(\$292,372)	(\$3,485,797)	(\$315,526)
9	Sch M Activity - Permanent - Above the Line	\$3,979,644	\$333,793	\$3,979,644	\$360,227
10	Sch M Activity - Deferred - Above the Line				
11	Federal Schedule M Adjustment	\$79,880,000	\$6,699,944	\$79,880,000	\$7,230,538
12					
13	Federal Adjusted Income Before Income Taxes	(\$1,107,918)	(\$3,717,065)	(\$47,076,486)	(\$12,080,976)
14					
15	Less:				
16	Tax Depreciation - Federal	(\$154,241,622)	(\$12,937,034)	(\$154,241,622)	(\$13,961,566)
17	Tax Depreciation - State				
18	Change in Excess Tax Depreciation	\$154,241,622	\$12,937,034	\$154,241,622	\$13,961,566
19					
20	State Taxable Income	\$153,133,704	\$9,219,969	\$107,165,136	\$1,880,590
21	State Tax Rate				
22	State Income Tax Before Adj				
23	Adder per statute - adj to income tax exp				
24	State Income Tax after Adj				
25					
26	Federal Taxable Income	(\$1,107,918)	(\$3,717,065)	(\$47,076,486)	(\$12,080,976)
27	Federal Tax Rate	21.00%	21.00%	21.00%	21.00%
28	Federal Income Tax Before Credits	(\$232,663)	(\$780,584)	(\$9,886,062)	(\$2,537,005)
29	Investment Tax Credit - Debits Utilized				
30					
31	Federal Income Taxes	(\$232,663)	(\$780,584)	(\$9,886,062)	(\$2,537,005)
32					
33	Total State and Federal Income Tax (1)	(\$232,663)	(\$780,584)	(\$9,886,062)	(\$2,537,005)

(1) Otter Tail Power will be in a Net Operating Loss (NOL) due to the Production Tax Credits. The Federal Income tax for 2024 is calculating a negative tax payable and for presentation purposed we net this negative tax with Deferred Income Taxes