

**OTTER TAIL POWER COMPANY
ELECTRIC UTILITY - STATE OF SOUTH DAKOTA
OPERATING INCOME STATEMENT SCHEDULES
DESCRIPTION OF DETAILS**

**C-8
Page 1 of 1**

**Summary of Approach used and Assumptions Made to the
Operating Statements**

Test Year 2024	
Item of Operating Income	Narration
Operating Revenues	Revenue for the Proposed Test Year 2024 is actual revenue. Revenues were adjusted as listed in schedule C-7 page 2 for the following adjustments: Rider Roll In, Large Load Additions and small adjustments for actual results.
Operating Expenses	Expenses for the 2024 Test Year were developed by first using allocated expenses for the period. Jurisdictional Allocation methodologies are discussed in Exhibit__(CLP-1), Schedule 2. These expenses were then adjusted through the required and rate case adjustments as listed in Schedule C-7. Refer to Schedule C-9 (all pages) for more details on how costs were allocated to South Dakota
Depreciation and Amortization Expense	Depreciation and Amortization Expenses for the 2024 Test Year were developed by first using allocated (Jurisdictional Allocation methodologies are discussed in Exhibit__(CLP-1), Schedule 2 expenses for the period. These expenses were then adjusted through the required and rate case adjustments as listed in Schedule C-7.
Taxes Other Than Income	Taxes other than Income Taxes for the Test Year were developed by using expenses as allocated (Jurisdictional Allocation methodologies are discussed in Exhibit__(CLP1), Schedule 2) for the period. These expenses were then adjusted through the required and rate case adjustments as listed in Schedule C-7.
Federal and State Income Taxes	Current taxes are determined by taking "Operating Income Before Taxes" for the jurisdiction and reducing it by the jurisdictional "Schedule M's" and interest expense (using the interest synchronization method) to arrive at taxable income. Current taxes are then computed using jurisdictional tax rates.