

**Class Allocation and Rate Design**

| Line No. |   | Total             | Large General Service | Controlled Service | Lighting        | All Other Service |
|----------|---|-------------------|-----------------------|--------------------|-----------------|-------------------|
| 1        | <b>Class Allocation Factors</b>                   |                   |                       |                    |                 |                   |
| 2        | D5 - Transmission Demand Factor - 12CP            | 100.00%           | 58.21%                | 0.19%              | 0.28%           | 41.32%            |
| 3        | E2 - MWH Consumption at Generators - Total Factor | 100.00%           | 58.34%                | 1.39%              | 0.48%           | 39.79%            |
| 4        | D2 - Transmission Demand Factor                   | 100.00%           | 53.28%                | 0.00%              | 0.44%           | 46.28%            |
| 5        |   |                   |                       |                    |                 |                   |
| 6        |   |                   |                       |                    |                 |                   |
| 7        | <b>South Dakota Revenue Requirements *</b>        |                   |                       |                    |                 |                   |
| 8        | ISO Expense per kW - Schedule 26 (D5)             | \$ 1,246,402      | \$ 725,565            | \$ 2,418           | \$ 3,464        | \$ 514,956        |
| 9        | ISO Expense per kWh - Schedule 26A (E2)           | \$ 1,124,371      | \$ 655,991            | \$ 15,627          | \$ 5,348        | \$ 447,405        |
| 10       | All Other Transmission Costs and Revenues (D2)    | \$ (1,713,956)    | \$ (913,179)          | \$ -               | \$ (7,512)      | \$ (793,266)      |
| 11       |   |                   |                       |                    |                 |                   |
| 12       | Total South Dakota Revenue Requirements           | <u>\$ 656,817</u> | <u>\$ 468,378</u>     | <u>\$ 18,045</u>   | <u>\$ 1,299</u> | <u>\$ 169,096</u> |
| 13       |   |                   |                       |                    |                 |                   |
| 14       |   |                   |                       |                    |                 |                   |
| 15       | <b>Billing Determinants</b>                       |                   |                       |                    |                 |                   |
| 16       | kWh   |                   | 364,664,231           | 31,498,828         | 2,349,121       | 196,588,215       |
| 17       | kW  |                   | 570,478               |                    |                 |                   |
| 18       |   |                   |                       |                    |                 |                   |
| 19       |   |                   |                       |                    |                 |                   |
| 20       | <b>Rates</b>                                      |                   |                       |                    |                 |                   |
| 21       | \$ / kWh  |                   | \$ 0.00017            | \$ 0.00057         | \$ 0.00055      | \$ 0.00086        |
| 22       | \$ / kW   |                   | \$ 0.71               |                    |                 |                   |

\* Jurisdictional transmission allocation factor (D2 = 10.37%) is from Otter Tail Power's most recently approved SD TCR filing in Docket 24-034.

\*\* LGS revenue is calculated using 35% demand and 65% energy for All Other Transmission Costs and Revenues