Otter Tail Power Company
Transmission Rider - Revenue Requirements
Karlstad, MN Capacitor Bank Project (Project #104763)
Docket No. EL12-

Line No.	Year>>		2011 Actual Total	2012 Actual January	2012 Actual February	2012 Actual March	2012 Actual April	2012 Actual May	2012 Actual June	2012 Actual July	2012 Projected August	2012 Projected September	2012 Projected October	2012 Projected November	2012 Projected December	2012 Projected Total
	RATE BASE															
1	Plant Balance		0	0	0	0	0	0	0	0	0	0	839,253	1,041,629	1,043,219	1,043,219
2	Accumulated Depreciation		0	0	0	0	0	0	0	0	0	0	0	(1,376)	(3,083)	(3,083)
3	Net Plant in Service		0	0	0	0	0	0	0	0	0	0	839,253	1,040,253	1,040,136	1,040,136
4	CWIP		0	0	0	0	0	3,540	11,812	29,395	209,090	545,892	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		0	0	0	0	0	0	0	0	0	0	(63,897)	(127,313)	(190,613)	(190,613)
6	Ending rate base		0	0	0	0	0	3,540	11,812	29,395	209,090	545,892	775,356	912,940	849,524	849,524
7																
8	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Retail Ending Rate Base		0	0	0	0	0	3,540	11,812	29,395	209,090	545,892	775,356	912,940	849,524	849,524
11																
12	Average rate base			21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	21,395	256,735
13																
14	Return on Rate Base			1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	21,823
15																
16	Available for return (equity portion of rate base)			1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	13,607
17																
18	*EXPENSES*															
19	*O&M and Depreciation*															
20	Operating Costs			0	0	0	0	0	0	0	0	0	0	0	0	0
21	Property Tax			0	0	0	0	0	0	0	0	0	0	0	0	0
22	Book Depreciation			0	0	0	0	0	0	0	0	0	0	1,376	1,707	3,083
23	Total O&M and Depreciation Expense			0	0	0	0	0	0	0	0	0	0	1,376	1,707	3,083
24																
25	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
26	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Retail O&M and Depreciation Expenses		0	0	0	0	0	0	0	0	0	0	0	1,376	1,707	3,083
28																
29	Income before Taxes															
30	Available for return (from above)			1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	13,607
31	Taxable Income (grossed up)	1.5385		1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	20,934
32																
33	Income Taxes															
34	Current and Def Income Taxes	35.00%		611	611	611	611	611	611	611	611	611	611	611	611	7,327
35	Total Income Tax Expense			611	611	611	611	611	611	611	611	611	611	611	611	7,327
36																
37																
38	*REVENUE REQUIRMENTS*															
39	Expenses			611	611	611	611	611	611	611	611	611	611	1,986	2,318	10,410
40	Return on rate base			1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	21,823
41	Subtotal revenue requirements			2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	2,429	3,805	4,136	32,233
42	Adjustments			0	0	0	0	0	0	0	0	0	0	0	0	0
43	Transmission Revenue			(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(521)	(816)	(887)	(6,909)
44	Total revenue requirements			1,908	1,908	1,908	1,908	1,908	1,908	1,908	1,908	1,908	1,908	2,989	3,250	25,323
45																
46	South Dakota share - D2 factor	9.82%		187	187	187	187	187	187	187	187	187	187	293	319	2,486
47																
48	Gross Receipts Tax (at 0.0015)	0.15%		0	0	0	0	0	0	0	0	0	0	0	0	4
49	Total South Dakota Share			188	188	188	188	188	188	188	188	188	188	294	319	2,489

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Line No.														
	SUPPORTING INFORMATION / DATA													
1														
2			SD Cap Structure with allowed ROE per order.											
3			Capital Structure		**Ratio**		**Cost**		**WA Cost**			**Property tax**		
4			Debt		47.00%		6.81%		3.20%			2012 composite rate	1.50%	
5			Preferred equity		0.00%		0.00%		0.00%					
6			Common equity		53.01%		10.00%		5.30%					
7			Total		100.00%				8.50%	Overall Return				
8														
9					**Book**	**Tax**								
10			Project life (years)		50	15-year MACRS								
11								**SD Special**						
12						**Fed Portion**	**State Portion**	**Hearing Fund:**						
13			Statutory Tax Rate		35.00%	35.00%	0.00%	0.15%						
14			Tax conversion factor		1.53846									
15			Transmission Revenue		21.44%									
16			SD share - D2 factor		9.8157%									
17														
18	**Deferred Tax**													
19	Book depreciation	1.96680%	0	0	0	0	0	0	0	0	0	0	1,376	1,707	3,083
20	Tax depreciation-Federal		0	0	0	0	0	0	0	0	0	182,563	182,563	182,563	547,690
21	Tax depreciation-ND		0	0	0	0	0	0	0	0	0	43,467	43,467	43,467	130,402
22	Federal deferred income taxes		0	0	0	0	0	0	0	0	0	(63,897)	(63,416)	(63,300)	(190,613)
23	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
22															
23	Book Depreciation Rate														

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Line No.	*Year>>*		2013 Projected January	2013 Projected February	2013 Projected March	2013 Projected April	2013 Projected May	2013 Projected June	2013 Projected July	2013 Projected August	2013 Projected September	2013 Projected October	2013 Projected November	2013 Projected December	2013 Projected Total
	RATE BASE														
1	Plant Balance		1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219	1,043,219
2	Accumulated Depreciation		(4,793)	(6,502)	(8,212)	(9,922)	(11,632)	(13,342)	(15,052)	(16,761)	(18,471)	(20,181)	(21,891)	(23,601)	(23,601)
3	Net Plant in Service		1,038,426	1,036,716	1,035,007	1,033,297	1,031,587	1,029,877	1,028,167	1,026,457	1,024,748	1,023,038	1,021,328	1,019,618	1,019,618
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Accumulated Deferred Income Taxes Fedederal & State		(191,459)	(192,306)	(193,153)	(194,000)	(194,847)	(195,694)	(196,540)	(197,387)	(198,234)	(199,081)	(199,928)	(200,775)	(200,775)
6	Ending rate base		846,967	844,410	841,854	839,297	836,740	834,184	831,627	829,070	826,513	823,957	821,400	818,843	818,843
7															
8	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
9	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Retail Ending Rate Base		846,967	844,410	841,854	839,297	836,740	834,184	831,627	829,070	826,513	823,957	821,400	818,843	818,843
11															
12	Average rate base		69,515	69,515	69,515	69,515	69,515	69,515	69,515	69,515	69,515	69,515	69,515	69,515	834,184
13															
14	Return on Rate Base		5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	70,909
15															
16	Available for return (equity portion of rate base)		3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	44,212
17															
18	*EXPENSES*														
19	*O&M and Depreciation*														
20	Operating Costs		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Property Tax		1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	1,304	15,648
22	Book Depreciation		1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	20,518
23	Total O&M and Depreciation Expense		3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	36,166
24															
25	OTP Load Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
26	Remove Non-OTP Load Portion		0	0	0	0	0	0	0	0	0	0	0	0	0
27	Retail O&M and Depreciation Expenses		3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	3,014	36,166
28															
29	Income before Taxes														
30	Available for return (from above)		3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	44,212
31	Taxable Income (grossed up)	1.5385	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	68,018
32															
33	Income Taxes														
34	Current and Def Income Taxes	35.00%	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	23,806
35	Total Income Tax Expense		1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	1,984	23,806
36															
37															
38	*REVENUE REQUIRMENTS*														
39	Expenses		4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	4,998	59,973
40	Return on rate base		5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	5,909	70,909
41	Subtotal revenue requirements		10,907	10,907	10,907	10,907	10,907	10,907	10,907	10,907	10,907	10,907	10,907	10,907	130,881
42	Adjustments		0	0	0	0	0	0	0	0	0	0	0	0	0
43	Transmission Revenue		(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(2,338)	(28,056)
44	Total revenue requirements		8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	8,569	102,825
45															
46	South Dakota share - D2 factor	9.82%	841	841	841	841	841	841	841	841	841	841	841	841	10,093
47															
48	Gross Receipts Tax (at 0.0015)	0.15%	1	1	1	1	1	1	1	1	1	1	1	1	15
49	Total South Dakota Share		842	842	842	842	842	842	842	842	842	842	842	842	10,108

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4			Debt		47.00%		6.81%		3.20%			2013 composite rate		1.50%	
5			Preferred equity		0.00%		0.00%		0.00%						
6			Common equity		53.01%		10.00%		5.30%						
7			Total		100.00%				8.50%	Overall Return					
8															
9					**Book**	**Tax**									
10			Project life (years)		50	15-year MACRS									
11								**SD Special**							
12						**Fed Portion**	**State Portion**	**Hearing Fund:**							
13			Statutory Tax Rate		35.00%	35.00%	0.00%	0.15%							
14			Tax conversion factor		1.53846										
15			Transmission Revenue		21.44%										
16			SD share - D2 factor		9.8157%										
17															
18	**Deferred Tax**														
19	Book depreciation	1.96680%	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	1,710	20,518
20	Tax depreciation-Federal		4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	49,553
21	Tax depreciation-ND		11,084	11,084	11,084	11,084	11,084	11,084	11,084	11,084	11,084	11,084	11,084	11,084	133,010
22	Federal deferred income taxes		(847)	(847)	(847)	(847)	(847)	(847)	(847)	(847)	(847)	(847)	(847)	(847)	(10,162)
23	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
22															
23	Book Depreciation Rate														