PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
South Dakota Transmission Cost Recovery Rider
CAPX2020 Fargo-Monticello Revenue Requirements
Docket No. EL15-

Line No.		*Year>>*	2015 Actual February	2015 Actual March	2015 Actual April	2015 Actual May	2015 Actual June	2015 Actual July	2015 Actual August	2015 Actual September	2015 Projected October	2015 Projected November	2015 Projected December	2015 Projected Total	2016 Projected January	2016 Projected February
	RATE BASE															
1	Plant Balance		39,415,498	39,449,154	39,551,264	39,785,819	39,428,076	39,300,800	39,520,810	39,494,096	39,544,521	39,667,584	39,667,584	81,349,022	81,349,022	81,349,022
2	Accumulated Depreciation		(740,303)	(797,815)	(855,377)	(913,091)	(971,155)	(1,028,685)	(1,086,026)	(1,143,695)	(1,201,323)	(1,259,027)	(1,316,915)	(1,316,915)	(1,435,556)	(1,554,198)
3	Net Plant in Service		38,675,195	38,651,339	38,695,887	38,872,728	38,456,921	38,272,114	38,434,784	38,350,402	38,343,198	38,408,557	38,350,669	80,032,107	79,913,466	79,794,824
4	CWIP		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1,291	(6,579)	(0)	(0)	(1)	(1)
5	Accumulated Deferred Income Taxes Fedederal & State		(3,201,561)	(3,223,830)	(3,246,082)	(3,268,281)	(3,290,357)	(3,312,620)	(3,334,950)	(3,357,165)	(3,379,393)	(3,401,596)	(3,423,734)	(3,423,734)	(3,568,721)	(3,713,708)
6	Ending rate base		35,473,634	35,427,509	35,449,804	35,604,446	35,166,563	34,959,493	35,099,834	34,993,237	34,965,095	35,000,382	34,926,935	76,608,373	76,344,744	76,081,115
7																
8	OTP Load Percentage		10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%
9	Remove Non-OTP Load Portion		(31,898,247)	(31,856,770)	(31,876,818)	(32,015,874)	(31,622,125)	(31,435,926)	(31,562,122)	(31,466,268)	(31,440,963)	(31,472,694)	(31,406,650)	(68,887,015)	(68,649,957)	(68,412,900)
10	Retail Ending Rate Base		3,575,388	3,570,739	3,572,986	3,588,572	3,544,438	3,523,567	3,537,712	3,526,968	3,524,132	3,527,689	3,520,286	7,721,358	7,694,787	7,668,216
11																
12	Average rate base		292,069	292,069	292,069	292,069	292,069	292,069	292,069	292,069	292,069	292,069	292,069	3,504,827	630,161	630,161
13																
14	Return on Rate Base		21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	259,039	46,575	46,575
15																
16	Available for return (equity portion of rate base)		13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	160,417	28,843	28,843
17																
18	*EXPENSES*															
19	*O&M and Depreciation*															
20	Operating Costs		0	11,502	0	0	0	0	0	0	0	0	0	11,502	0	0
21	Property Tax		65,722	65,722	65,722	65,722	65,722	65,722	65,722	65,722	65,722	65,722	65,722	788,660	135,471	135,471
22	Book Depreciation		57,543	57,512	57,562	57,714	58,064	57,530	57,341	57,669	57,629	57,704	57,887	691,693	118,642	118,642
23	Total O&M and Depreciation Expenses		123,265	134,735	123,284	123,436	123,785	123,252	123,062	123,390	123,351	123,426	123,609	1,491,855	254,113	254,113
24																
25	OTP Load Percentage		10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%
26	Remove Non-OTP Load Portion		(110,841)	(121,155)	(110,858)	(110,995)	(111,309)	(110,830)	(110,659)	(110,954)	(110,918)	(110,986)	(111,151)	(1,341,491)	(228,501)	(228,501)
27	Retail O&M and Depreciation Expenses		12,424	13,580	12,426	12,441	12,476	12,423	12,403	12,437	12,433	12,440	12,459	150,364	25,612	25,612
28																
29	Income before Taxes															
30	Available for return (from above)		13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	13,368	160,417	28,843	28,843
31	Taxable Income (grossed up)	1.53846	20,566	20,566	20,566	20,566	20,566	20,566	20,566	20,566	20,566	20,566	20,566	246,795	44,373	44,373
32																
33	Income Taxes															
34	Current and Def Income Taxes	35.00%	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	86,378	15,531	15,531
35	Total Income Tax Expense		7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	7,198	86,378	15,531	15,531
36																
37																
38	*REVENUE REQUIRMENTS*															
39	Expenses		19,622	20,778	19,624	19,639	19,675	19,621	19,602	19,635	19,631	19,638	19,657	236,742	41,143	41,143
40	Return on rate base		21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	21,587	259,039	46,575	46,575
41	Subtotal revenue requirements		41,209	42,365	41,210	41,226	41,261	41,207	41,188	41,221	41,217	41,225	41,243	495,781	87,717	87,717
42	Adjustments															
43	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	Total revenue requirements		41,209	42,365	41,210	41,226	41,261	41,207	41,188	41,221	41,217	41,225	41,243	495,781	87,717	87,717
45																
46	South Dakota share - D2 factor	9.816%	4,045	4,158	4,045	4,047	4,050	4,045	4,043	4,046	4,046	4,047	4,048	48,664	8,610	8,610
47																
48	Gross Receipts Tax (at 0.0015)	0.15%	6	6	6	6	6	6	6	6	6	6	6	73	13	13
49	Total South Dakota Share		4,051	4,165	4,051	4,053	4,056	4,051	4,049	4,052	4,052	4,053	4,054	48,737	8,623	8,623

Line No.																
	SUPPORTING INFORMATION / DATA															
1																
2			SD Cap Structure with allowed ROE per order.		**[TRADE SECRET DATA BEGINS…**											
3				Capital Structure		**Ratio**	**Cost**	**WA Cost**			**Property tax**					
4				Debt							2015 composite rate		2.00%			
5				Preferred equity												
6				Common equity					**…TRADE SECRET DATA ENDS]**							
7				Total		100.00%		7.39%	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	0.00%										
16					SD share - D2 factor	9.8157%										
17																
18	**Deferred Tax**															
19	Book depreciation		57,543	57,512	57,562	57,714	58,064	57,530	57,341	57,669	57,629	57,704	57,887	691,693	118,642	118,642
20	Tax depreciation-Federal		121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	1,453,670	532,891	532,891
21	Tax depreciation-SD		121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	121,139	1,453,670	532,891	532,891
22	Federal deferred income taxes	35.00%	(22,259)	(22,270)	(22,252)	(22,199)	(22,076)	(22,263)	(22,329)	(22,215)	(22,229)	(22,202)	(22,138)	(266,692)	(144,987)	(144,987)
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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Line No.		*Year>>*	2016 Projected March	2016 Projected April	2016 Projected May	2016 Projected June	2016 Projected July	2016 Projected August	2016 Projected September	2016 Projected October	2016 Projected November	2016 Projected December	2016 Projected Total	2017 Projected January	2017 Projected February
	RATE BASE														
1	Plant Balance		81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022	81,349,022
2	Accumulated Depreciation		(1,672,840)	(1,791,481)	(1,910,123)	(2,028,764)	(2,147,406)	(2,266,048)	(2,384,689)	(2,503,331)	(2,621,973)	(2,740,614)	(2,740,614)	(2,859,256)	(2,977,897)
3	Net Plant in Service		79,676,182	79,557,541	79,438,899	79,320,257	79,201,616	79,082,974	78,964,333	78,845,691	78,727,049	78,608,408	78,608,408	78,489,766	78,371,125
4	CWIP		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(0)	(0)
5	Accumulated Deferred Income Taxes Fedederal & State		(3,858,695)	(4,003,683)	(4,148,670)	(4,293,657)	(4,438,644)	(4,583,632)	(4,728,619)	(4,873,606)	(5,018,593)	(5,163,581)	(5,163,581)	(5,296,421)	(5,429,261)
6	Ending rate base		75,817,486	75,553,857	75,290,229	75,026,600	74,762,971	74,499,342	74,235,713	73,972,084	73,708,456	73,444,827	73,444,827	73,193,345	72,941,863
7															
8	OTP Load Percentage		10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%
9	Remove Non-OTP Load Portion		(68,175,842)	(67,938,784)	(67,701,726)	(67,464,669)	(67,227,611)	(66,990,553)	(66,753,496)	(66,516,438)	(66,279,380)	(66,042,323)	(66,042,323)	(65,816,188)	(65,590,053)
10	Retail Ending Rate Base		7,641,644	7,615,073	7,588,502	7,561,931	7,535,360	7,508,789	7,482,218	7,455,646	7,429,075	7,402,504	7,402,504	7,377,157	7,351,810
11															
12	Average rate base		630,161	630,161	630,161	630,161	630,161	630,161	630,161	630,161	630,161	630,161	7,561,931	604,202	604,202
13															
14	Return on Rate Base		46,575	46,575	46,575	46,575	46,575	46,575	46,575	46,575	46,575	46,575	558,896	44,656	44,656
15															
16	Available for return (equity portion of rate base)		28,843	28,843	28,843	28,843	28,843	28,843	28,843	28,843	28,843	28,843	346,111	27,654	27,654
17															
18	*EXPENSES*														
19	*O&M and Depreciation*														
20	Operating Costs		18,750	0	0	18,750	0	0	18,750	0	0	18,750	75,000	0	0
21	Property Tax		135,471	135,471	135,471	135,471	135,471	135,471	135,471	135,471	135,471	135,471	1,625,658	135,471	135,471
22	Book Depreciation		118,642	118,642	118,642	118,642	118,642	118,642	118,642	118,642	118,642	118,642	1,423,699	118,642	118,642
23	Total O&M and Depreciation Expenses		272,863	254,113	254,113	272,863	254,113	254,113	272,863	254,113	254,113	272,863	3,124,357	254,113	254,113
24															
25	OTP Load Percentage		10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%	10.079%
26	Remove Non-OTP Load Portion		(245,361)	(228,501)	(228,501)	(245,361)	(228,501)	(228,501)	(245,361)	(228,501)	(228,501)	(245,361)	(2,809,453)	(228,501)	(228,501)
27	Retail O&M and Depreciation Expenses		27,502	25,612	25,612	27,502	25,612	25,612	27,502	25,612	25,612	27,502	314,904	25,612	25,612
28															
29	Income before Taxes														
30	Available for return (from above)		28,843	28,843	28,843	28,843	28,843	28,843	28,843	28,843	28,843	28,843	346,111	27,654	27,654
31	Taxable Income (grossed up)	1.53846	44,373	44,373	44,373	44,373	44,373	44,373	44,373	44,373	44,373	44,373	532,479	42,545	42,545
32															
33	Income Taxes														
34	Current and Def Income Taxes	35.00%	15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	186,368	14,891	14,891
35	Total Income Tax Expense		15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	15,531	186,368	14,891	14,891
36															
37															
38	*REVENUE REQUIRMENTS*														
39	Expenses		43,033	41,143	41,143	43,033	41,143	41,143	43,033	41,143	41,143	43,033	501,272	40,503	40,503
40	Return on rate base		46,575	46,575	46,575	46,575	46,575	46,575	46,575	46,575	46,575	46,575	558,896	44,656	44,656
41	Subtotal revenue requirements		89,607	87,717	87,717	89,607	87,717	87,717	89,607	87,717	87,717	89,607	1,060,167	85,159	85,159
42	Adjustments														
43	Transmission Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
44	Total revenue requirements		89,607	87,717	87,717	89,607	87,717	87,717	89,607	87,717	87,717	89,607	1,060,167	85,159	85,159
45															
46	South Dakota share - D2 factor	9.816%	8,796	8,610	8,610	8,796	8,610	8,610	8,796	8,610	8,610	8,796	104,063	8,359	8,359
47															
48	Gross Receipts Tax (at 0.0015)	0.15%	13	13	13	13	13	13	13	13	13	13	156	13	13
49	Total South Dakota Share		8,809	8,623	8,623	8,809	8,623	8,623	8,809	8,623	8,623	8,809	104,219	8,372	8,372

Line No.	*SUPPORTING INFORMATION / DATA*								
1									
2	SD Cap Structure with allowed ROE per order.								SD Cap Structure with allowed R(
	[TRADE SECRET DATA BEGINS…								**[TRADE SECRET D**
3	Capital Structure	**Ratio**	**Cost**	**WA Cost**		**Property tax**			Capital Structure
4	Debt					2016 composite rate	2.00%		Debt
5	Preferred equity								Preferred equity
6	Common equity				**…TRADE SECRET DATA ENDS]**				Common equity
7	Total	100.00%		7.39%	Overall Return				Total
8									
9		**Book**	**Tax**						
10	Project life (years)	50	15-year MACRS						Project life (years)
11					**SD Special**				
12			**Fed Portion**	**State Portion**	**Hearing Fund:**				
13	Statutory Tax Rate	35.00%	35.00%	0.00%	0.15%				Statutory Tax Rate
14	Tax conversion factor	1.53846							Tax conversion factor
15	Transmission Revenue	0.00%							Transmission Revenue
16	SD share - D2 factor	9.8157%							SD share - D2 factor
17									

Line No.			March	April	May	June	July	August	September	October	November	December	Total	January	February
18	**Deferred Tax**														
19	Book depreciation		118,642	118,642	118,642	118,642	118,642	118,642	118,642	118,642	118,642	118,642	1,423,699	118,642	118,642
20	Tax depreciation-Federal		532,891	532,891	532,891	532,891	532,891	532,891	532,891	532,891	532,891	532,891	6,394,691	498,185	498,185
21	Tax depreciation-SD		532,891	532,891	532,891	532,891	532,891	532,891	532,891	532,891	532,891	532,891	6,394,691	498,185	498,185
22	Federal deferred income taxes	35.00%	(144,987)	(144,987)	(144,987)	(144,987)	(144,987)	(144,987)	(144,987)	(144,987)	(144,987)	(144,987)	(1,739,847)	(132,840)	(132,840)
23	State deferred income taxes	0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0