PUBLIC - TRADE SECRET DATA HAS BEEN EXCISED

Otter Tail Power Company
Air Quality Control System Project Revenue Requirement Calc
Docket No. EL17-

LineNo.		Year>>	2016 Actual November	2016 Actual December	2016 Actual Total	2017 Actual January	2017 Actual February	2017 Acual March	2017 Actual April	2017 Actual May	2017 Actual June	2017 Actual July	2017 Projected August	2017 Projected September	2017 Projected October
	RATE BASE														
1	Plant Balance		204,062,984	204,105,994	204,105,994	204,108,827	204,143,710	204,143,779	204,143,708	204,271,333	204,271,250	204,271,251	204,271,251	204,271,251	204,348,726
2	Accumulated Depreciation		(5,618,755)	(6,130,069)	(6,130,069)	(6,606,470)	(7,082,877)	(7,559,365)	(8,035,854)	(8,512,342)	(8,989,128)	(9,465,914)	(9,942,701)	(10,419,487)	(10,896,273)
3	Net Plant in Service		198,444,229	197,975,925	197,975,925	197,502,357	197,060,833	196,584,414	196,107,854	195,758,991	195,282,122	194,805,337	194,328,551	193,851,765	193,452,454
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Deferred Tax Asset		14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926	14,733,926
6	Prorated Reversal of deferred tax asset		(9,810,224)	(10,702,062)	(10,702,062)	(11,038,051)	(11,374,039)	(11,710,028)	(12,046,017)	(12,382,005)	(12,717,994)	(13,053,983)	(13,389,971)	(13,725,960)	(14,061,949)
7	ADIT Pro-Rates		1.000000	1.000000		1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
8	Accumulated Deferred Income Taxes Federal & State		(39,994,060)	(40,146,675)	(40,146,675)	(40,292,763)	(40,438,848)	(40,584,905)	(40,730,962)	(40,877,019)	(41,022,972)	(41,168,925)	(41,314,878)	(41,460,831)	(41,606,783)
9	Ending Rate Base		163,373,871	161,861,115	161,861,115	160,905,470	159,981,872	159,023,407	158,064,801	157,233,892	156,275,082	155,316,355	154,357,628	153,398,900	152,517,647
10															
11	Average Rate Base		14,248,540	14,248,540	170,982,478	13,020,838	13,020,838	13,020,838	13,020,838	13,020,838	13,020,838	13,020,838	13,020,838	13,020,838	13,020,838
12															
13	Return on Rate Base		1,068,501	1,068,501	12,822,015	987,920	987,920	987,920	987,920	987,920	987,920	987,920	987,920	987,920	987,920
14															
15	Available for Return (equity portion of rate base)		695,272	695,272	8,343,262	663,158	663,158	663,158	663,158	663,158	663,158	663,158	663,158	663,158	663,158
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		25,357	43,310	401,650	41,985	37,418	40,501	59,122	42,984	43,846	44,443	50,362	50,362	50,362
20	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Book Depreciation		511,281	511,314	6,130,069	476,400	476,407	476,488	476,489	476,488	476,786	476,786	476,786	476,786	476,786
22	Total O&M and Depreciation Expense		536,638	554,624	6,531,719	518,385	513,825	516,990	535,611	519,472	520,632	521,229	527,148	527,148	527,148
23															
24	Income before Taxes														
25	Available for Return (from above)		695,272	695,272	8,343,262	663,158	663,158	663,158	663,158	663,158	663,158	663,158	663,158	663,158	663,158
26	Taxable Income (grossed up)	1.5385	1,069,649	1,069,649	12,835,788	1,020,243	1,020,243	1,020,243	1,020,243	1,020,243	1,020,243	1,020,243	1,020,243	1,020,243	1,020,243
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	374,377	374,377	4,492,526	357,085	357,085	357,085	357,085	357,085	357,085	357,085	357,085	357,085	357,085
30	Total Income Tax Expense		374,377	374,377	4,492,526	357,085	357,085	357,085	357,085	357,085	357,085	357,085	357,085	357,085	357,085
31															
32															
33	*REVENUE REQUIREMENTS*														
34	Expenses		911,015	929,001	11,024,245	875,470	870,910	874,075	892,696	876,557	877,717	878,314	884,233	884,233	884,233
35	Return on Rate Base		1,068,501	1,068,501	12,822,015	987,920	987,920	987,920	987,920	987,920	987,920	987,920	987,920	987,920	987,920
36	Subtotal Revenue Requirements		1,979,516	1,997,502	23,846,259	1,863,390	1,858,829	1,861,994	1,880,616	1,864,477	1,865,637	1,866,234	1,872,153	1,872,153	1,872,153
37	Adjustments														
38	Total Revenue Requirements		1,979,516	1,997,502	23,846,259	1,863,390	1,858,829	1,861,994	1,880,616	1,864,477	1,865,637	1,866,234	1,872,153	1,872,153	1,872,153
39															
40	Base Demand Factor	75.29%	1,490,378	1,503,919	17,953,849	1,402,946	1,399,513	1,401,896	1,415,916	1,403,764	1,404,638	1,405,087	1,409,544	1,409,544	1,409,544
41	Peak Demand Factor	24.71%	489,138	493,583	5,892,411	460,444	459,317	460,099	464,700	460,712	460,999	461,146	462,609	462,609	462,609
42															
43	South Dakota share - E1 factc	9.9710%	148,606	149,957	1,790,187	139,888	139,546	139,784	141,182	139,970	140,057	140,102	140,546	140,546	140,546
44	South Dakota share - D1 factc	9.9001%	48,425	48,865	583,356	45,584	45,473	45,550	46,006	45,611	45,639	45,654	45,799	45,799	45,799
45															
46	South Dakota Revenue Requirements		197,032	198,822	2,373,543	185,473	185,019	185,334	187,187	185,581	185,697	185,756	186,345	186,345	186,345

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Docket No. EL17-

Line No.			2016 Actual November	2016 Actual December	2016 Actual Total	2017 Actual January	2017 Actual February	2017 Acual March	2017 Actual April	2017 Actual May	2017 Actual June	2017 Actual July	2017 Projected August	2017 Projected September	2017 Projected October
	SUPPORTING INFORMATION / DATA														
47						**[TRADE SECRET BEGINS…**									
48															
49														**Property tax**	
50														2017 composite rate	
51															
52											**…TRADE SECRET ENDS]**				
53						Total		100.00%		7.59%	Overall Return				
54															
55								**Book**	**Tax**						
56						Project life (years)		30	7-year MACRS						
57															
58									**Federal**	**State**					
59							Statutory Tax Rate	35.00%	35.00%	0.00%					
60							Tax conversion factor	1.53846							
61							Base Demand Factor	75.29%							
62							Peak Demand Factor	24.71%							
63							SD share - E1 factor	9.9710%							
64							SD share - D1 factor	9.9001%							
65															
66	**Deferred Tax**														
67	Book depreciation		511,281	511,314	6,130,069	476,400	476,407	476,488	476,489	476,488	476,786	476,786	476,786	476,786	476,786
68	Tax depreciation-Federal		947,356	947,356	11,368,277	893,794	893,794	893,794	893,794	893,794	893,794	893,794	893,794	893,794	893,794
69	Tax depreciation-State		947,356	947,356	11,368,277	893,794	893,794	893,794	893,794	893,794	893,794	893,794	893,794	893,794	893,794
70	Federal deferred income taxes	35.00%	(152,626)	(152,615)	(1,833,373)	(146,088)	(146,086)	(146,057)	(146,057)	(146,057)	(145,953)	(145,953)	(145,953)	(145,953)	(145,953)
71	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0

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Docket No. EL17-

LineNo.		Year>>	2017 Projected November	2017 Projected December	2017 Projected Total	2018 Projected January	2018 Projected February	2018 Projected March	2018 Projected April	2018 Projected May	2018 Projected June	2018 Projected July	2018 Projected August	2018 Projected September	2018 Projected October
	RATE BASE														
1	Plant Balance		204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726	204,348,726
2	Accumulated Depreciation		(11,373,240)	(11,850,207)	(11,850,207)	(12,327,174)	(12,804,141)	(13,281,108)	(13,758,075)	(14,235,041)	(14,712,008)	(15,188,975)	(15,665,942)	(16,142,909)	(16,619,876)
3	Net Plant in Service		192,975,487	192,498,520	192,498,520	192,021,553	191,544,586	191,067,619	190,590,652	190,113,685	189,636,718	189,159,751	188,682,784	188,205,817	187,728,850
4	CWIP		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Deferred Tax Asset		14,733,926	14,733,926	14,733,926	0	0	0	0	0	0	0	0	0	0
6	Prorated Reversal of deferred tax asset		(14,370,322)	(14,652,921)	(14,652,921)	0	0	0	0	0	0	0	0	0	0
7	ADIT Pro-Rates		0.917808	0.841096		0.756164	0.673973	0.589041	0.506849	0.421918	0.336986	0.254795	0.169863	0.087671	0.002740
8	Accumulated Deferred Income Taxes Federal & State		(41,740,682)	(41,863,389)	(41,863,389)	(41,966,804)	(42,058,978)	(42,139,537)	(42,208,854)	(42,266,557)	(42,312,644)	(42,347,490)	(42,370,721)	(42,382,711)	(42,383,086)
9	Ending Rate Base		151,598,409	150,716,136	150,716,136	150,054,749	149,485,608	148,928,082	148,381,797	147,847,128	147,324,074	146,812,261	146,312,063	145,823,106	145,345,764
10															
11	Average Rate Base		13,020,838	13,020,838	156,250,055	12,281,573	12,281,573	12,281,573	12,281,573	12,281,573	12,281,573	12,281,573	12,281,573	12,281,573	12,281,573
12															
13	Return on Rate Base		987,920	987,920	11,855,035	931,830	931,830	931,830	931,830	931,830	931,830	931,830	931,830	931,830	931,830
14															
15	Available for Return (equity portion of rate base)		663,158	663,158	7,957,893	625,507	625,507	625,507	625,507	625,507	625,507	625,507	625,507	625,507	625,507
16															
17	*EXPENSES*														
18	*O&M and Depreciation*														
19	Operating Costs		50,362	50,362	562,108	51,873	51,873	51,873	51,873	51,873	51,873	51,873	51,873	51,873	51,873
20	Property Tax		0	0	0	0	0	0	0	0	0	0	0	0	0
21	Book Depreciation		476,967	476,967	5,720,138	476,967	476,967	476,967	476,967	476,967	476,967	476,967	476,967	476,967	476,967
22	Total O&M and Depreciation Expense		527,329	527,329	6,282,246	528,840	528,840	528,840	528,840	528,840	528,840	528,840	528,840	528,840	528,840
23															
24	Income before Taxes														
25	Available for Return (from above)		663,158	663,158	7,957,893	625,507	625,507	625,507	625,507	625,507	625,507	625,507	625,507	625,507	625,507
26	Taxable Income (grossed up)	1.5385	1,020,243	1,020,243	12,242,913	962,318	962,318	962,318	962,318	962,318	962,318	962,318	962,318	962,318	962,318
27															
28	Income Taxes														
29	Current and Def Income Taxes	35.00%	357,085	357,085	4,285,020	336,811	336,811	336,811	336,811	336,811	336,811	336,811	336,811	336,811	336,811
30	Total Income Tax Expense		357,085	357,085	4,285,020	336,811	336,811	336,811	336,811	336,811	336,811	336,811	336,811	336,811	336,811
31															
32															
33	*REVENUE REQUIREMENTS*														
34	Expenses		884,414	884,414	10,567,265	865,651	865,651	865,651	865,651	865,651	865,651	865,651	865,651	865,651	865,651
35	Return on Rate Base		987,920	987,920	11,855,035	931,830	931,830	931,830	931,830	931,830	931,830	931,830	931,830	931,830	931,830
36	Subtotal Revenue Requirements		1,872,333	1,872,333	22,422,301	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481
37	Adjustments														
38	Total Revenue Requirements		1,872,333	1,872,333	22,422,301	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481	1,797,481
39															
40	Base Demand Factor	75.29%	1,409,680	1,409,680	16,881,750	1,353,324	1,353,324	1,353,324	1,353,324	1,353,324	1,353,324	1,353,324	1,353,324	1,353,324	1,353,324
41	Peak Demand Factor	24.71%	462,654	462,654	5,540,551	444,158	444,158	444,158	444,158	444,158	444,158	444,158	444,158	444,158	444,158
42															
43	South Dakota share - E1 facto	9.9710%	140,560	140,560	1,683,287	134,941	134,941	134,941	134,941	134,941	134,941	134,941	134,941	134,941	134,941
44	South Dakota share - D1 facto	9.9001%	45,803	45,803	548,521	43,972	43,972	43,972	43,972	43,972	43,972	43,972	43,972	43,972	43,972
45															
46	South Dakota Revenue Requirements		186,363	186,363	2,231,809	178,913	178,913	178,913	178,913	178,913	178,913	178,913	178,913	178,913	178,913

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	SUPPORTING INFORMATION / DATA														
47						**[TRADE SECRET BEGINS…**									
48															
49														**Property tax**	
50			0.00%											2018 composite rate	
51															
52											**...TRADE SECRET ENDS]**				
53						Total		100.00%		7.59%	Overall Return				
54															
55								**Book**	**Tax**						
56						Project life (years)		30	7-year MACRS						
57															
58									**Federal**	**State**					
59							Statutory Tax Rate	35.00%	35.00%	0.00%					
60							Tax conversion factor	1.53846							
61							Base Demand Factor	75.29%							
62							Peak Demand Factor	24.71%							
63							SD share - E1 factor	9.9710%							
64							SD share - D1 factor	9.9001%							
65															
66	**Deferred Tax**														
67	Book depreciation		476,967	476,967	5,720,138	476,967	476,967	476,967	476,967	476,967	476,967	476,967	476,967	476,967	476,967
68	Tax depreciation-Federal		893,794	893,794	10,725,532	867,716	867,716	867,716	867,716	867,716	867,716	867,716	867,716	867,716	867,716
69	Tax depreciation-State		893,794	893,794	10,725,532	867,716	867,716	867,716	867,716	867,716	867,716	867,716	867,716	867,716	867,716
70	Federal deferred income taxes	35.00%	(145,890)	(145,890)	(1,751,888)	(136,762)	(136,762)	(136,762)	(136,762)	(136,762)	(136,762)	(136,762)	(136,762)	(136,762)	(136,762)
71	State deferred income taxes		0	0	0	0	0	0	0	0	0	0	0	0	0