Otter Tail Power Company **Exhibit 2a**
Docket EL18-021 **Page 1 of 1**
South Dakota Electric Operating Income Statement With Known and Measurable Adjustments and Revenue Deficiency
Adjusted Test Year Ended December 31, 2017

Line No.	Description	South Dakota Per Books	Total Staff Adjustments	Adjusted Test Year	Revenue Adjustment	Adjusted Test Year with Revenue Adjustment
	(a)	(b)	(c)	(d)	(e)	(f)
1	OPERATING REVENUES:					
2	Retail Revenue	$ 32,929,872	$ (2,271,479)	$ 30,658,393	$ 4,830,821	$ 35,489,214
3	Other Electric Operating Revenue	1,725,695	(89,577)	1,636,118		1,636,118
4	**TOTAL OPERATING REVENUES**	34,655,568	(2,361,056)	32,294,512	4,830,821	37,125,333
5	OPERATING EXPENSES:					
6	Operation and Maintenance:					
7	Production Expense	14,201,172	370,815	14,571,988		14,571,988
8	Transmission Expense	2,936,416	22,856	2,959,272		2,959,272
9	Distribution Expense	1,686,406	22,436	1,708,842		1,708,842
10	Customer Accounting Expense	1,144,837	26,457	1,171,293		1,171,293
11	Customer Service and Information Expense	663,245	1,298	664,543		664,543
12	Sales Expenses	11,402	9,349	20,751		20,751
13	Administration and General Expense	3,691,031	210,581	3,901,612		3,901,612
14	Other	-	-	-		-
15	Total Operation and Maintenance	24,334,509	663,791	24,998,301	-	24,998,301
16	Depreciation and Amortization	4,719,228	236,359	4,955,587		4,955,587
17	Taxes:					
18	Property Taxes	919,049	-	919,049		919,049
19	Coal Conversion Tax	46,586	-	46,586		46,586
20	South Dakota Gross Receipts Tax	48,882	-	48,882	7,235	56,117
21	Investment Tax Credit	(753,931)	630,339	(123,593)		(123,593)
22	Deferred Income Taxes	1,083,502	434,816	1,518,318		1,518,318
23	Federal Income Taxes	(556,439)	(1,577,951)	(2,134,390)	1,012,953	(1,121,437)
24	Other Taxes	-	(43,850)	(43,850)		(43,850)
25	Total Taxes	787,649	(556,646)	231,002	1,020,188	1,251,190
26	**TOTAL OPERATING EXPENSES**	29,841,385	343,504	30,184,889	1,020,188	31,205,077
27	**OPERATING INCOME**	$ 4,814,182	$ (2,704,560)	$ 2,109,622	$ 3,810,633	$ 5,920,255
28	Rate Base	83,294,793		$ 83,501,485		$ 83,501,485
29	Earned Rate of Return	5.78%		2.53%		7.09%
30	Commission Authorized Rate of Return			7.09%		7.09%

SOURCES:

Line 4: Sum of lines 2 through 3	Column c: Exhibit 2b, page 4, column aa
Line 15: Sum of lines 7 through 14	Column d: Column b plus column c
Line 25: Sum of lines 18 through 24	
Line 26: Sum of lines 15, 16 and 25	Column e, line 2: Exhibit 1, column b, line 10
Line 27: Line 4 less line 26	Column e, line 20: Exhibit 1, column b, line 9
Line 28: Exhibit 3a, line 31	Column e, line 23: Exhibit 1, column b, line 8 less
Line 29: Line 27 / line 28	Exhibit 1, column b, line 6
Line 30: Exhibit 8, column e, line 3	Column f: Column d plus column e
Column b: Exhibit 2b, page 1, column b	

Sponsored By: Joseph Rezac