

**Forecast of PRB Coal and
Transportation Prices To Ottertail Power's Big Stone Plant**
(In Dollars Per Ton)

Year	Rail Transportation	PRB Coal Forecast ^{2/}			Total Delivered Cost Forecast		
	Forecast (\$/Ton) ^{1/}	LOW (\$/Ton)	BASE (\$/Ton)	HIGH (\$/Ton)	LOW (\$/Ton) ^{3/}	BASE (\$/Ton) ^{4/}	HIGH (\$/Ton) ^{5/}
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. 2012	\$20.38	\$7.70	\$9.29	\$12.47	\$28.08	\$29.67	\$32.84
2. 2013	\$20.42	\$8.06	\$9.74	\$13.07	\$28.48	\$30.16	\$33.50
3. 2014	\$20.41	\$8.65	\$10.51	\$14.18	\$29.06	\$30.91	\$34.58
4. 2015	\$21.21	\$9.12	\$11.15	\$15.13	\$30.33	\$32.35	\$36.33
5. 2016	\$22.11	\$9.17	\$11.29	\$15.41	\$31.28	\$33.40	\$37.52
6. 2017	\$22.56	\$9.05	\$11.22	\$15.43	\$31.61	\$33.78	\$38.00
7. 2018	\$24.55	\$8.96	\$11.19	\$15.48	\$33.51	\$35.74	\$40.03
8. 2019	\$23.81	\$9.20	\$11.55	\$16.04	\$33.01	\$35.36	\$39.85
9. 2020	\$24.40	\$9.87	\$12.42	\$17.30	\$34.27	\$36.83	\$41.70
10. 2021	\$26.55	\$10.41	\$13.15	\$18.36	\$36.96	\$39.70	\$44.92
11. 2022	\$25.74	\$10.84	\$13.77	\$19.31	\$36.58	\$39.51	\$45.05
12. 2023	\$26.49	\$10.82	\$13.82	\$19.48	\$37.31	\$40.31	\$45.97
13. 2024	\$27.30	\$10.77	\$13.85	\$19.63	\$38.07	\$41.15	\$46.93
14. 2025	\$29.64	\$10.76	\$13.92	\$19.82	\$40.40	\$43.56	\$49.46
15. 2026	\$28.95	\$11.06	\$14.36	\$20.52	\$40.01	\$43.31	\$49.47
16. 2027	\$29.73	\$11.86	\$15.46	\$22.16	\$41.58	\$45.18	\$51.89
17. 2028	\$30.38	\$12.46	\$16.34	\$23.54	\$42.84	\$46.72	\$53.92
18. 2029	\$31.03	\$12.54	\$16.55	\$23.99	\$43.57	\$47.57	\$55.01
19. 2030	\$31.78	\$12.36	\$16.45	\$24.02	\$44.14	\$48.22	\$55.79
20. 2031	\$32.30	\$12.25	\$16.40	\$24.10	\$44.54	\$48.70	\$56.40
21. 2032	\$36.05	\$12.58	\$16.93	\$24.96	\$48.63	\$52.98	\$61.01
22. 2033	\$32.83	\$13.48	\$18.21	\$26.92	\$46.31	\$51.03	\$59.75
23. 2034	\$33.45	\$14.22	\$19.27	\$28.58	\$47.67	\$52.72	\$62.03
24. 2035	\$34.09	\$14.82	\$20.18	\$30.06	\$48.91	\$54.26	\$64.14
25. 2036	\$34.73	\$14.79	\$20.26	\$30.32	\$49.52	\$54.98	\$65.05
26. 2037	\$35.31	\$14.72	\$20.31	\$30.56	\$50.03	\$55.61	\$65.87
27. 2038	\$35.97	\$14.70	\$20.40	\$30.85	\$50.67	\$56.36	\$66.81

^{1/} Based on L. E. Peabody & Associates, Inc. forecast of captive PRB rail transportation rates, assuming a 904 mile loaded move. Maintenance and railcar lease expenses have been included.

^{2/} Based on 90% contract and 10% spot 8400 Btu PRB coal. The contract prices are based on a series of 3 year 8400 Btu contracts with one expiring each year. A 4% annual sales tax has been included.

^{3/} Column (2) + Column (3)

^{4/} Column (2) + Column (4)

^{5/} Column (2) + Column (5)

**Forecast of PRB Coal and
Transportation Prices To Ottertail Power's Big Stone Plant**

(In Dollars Per MMBtu^{1/})

Year	Rail	PRB Coal Forecast			Total Delivered Cost Forecast			
	Transportation Forecast (\$/MMBtu)	LOW (\$/MMBtu)	BASE (\$/MMBtu)	HIGH (\$/MMBtu)	LOW (\$/MMBtu)	BASE (\$/MMBtu)	HIGH (\$/MMBtu)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1.	2012	\$1.2130	\$0.4585	\$0.5533	\$0.7420	\$1.6715	\$1.7662	\$1.9550
2.	2013	\$1.2158	\$0.4796	\$0.5796	\$0.7780	\$1.6954	\$1.7953	\$1.9938
3.	2014	\$1.2147	\$0.5148	\$0.6254	\$0.8439	\$1.7295	\$1.8401	\$2.0585
4.	2015	\$1.2623	\$0.5429	\$0.6635	\$0.9005	\$1.8052	\$1.9258	\$2.1628
5.	2016	\$1.3160	\$0.5460	\$0.6719	\$0.9173	\$1.8621	\$1.9879	\$2.2333
6.	2017	\$1.3431	\$0.5385	\$0.6679	\$0.9185	\$1.8816	\$2.0110	\$2.2616
7.	2018	\$1.4611	\$0.5333	\$0.6661	\$0.9217	\$1.9944	\$2.1272	\$2.3828
8.	2019	\$1.4172	\$0.5478	\$0.6873	\$0.9545	\$1.9651	\$2.1046	\$2.3718
9.	2020	\$1.4526	\$0.5873	\$0.7394	\$1.0296	\$2.0399	\$2.1920	\$2.4822
10.	2021	\$1.5806	\$0.6195	\$0.7826	\$1.0929	\$2.2001	\$2.3632	\$2.6735
11.	2022	\$1.5322	\$0.6454	\$0.8194	\$1.1495	\$2.1776	\$2.3516	\$2.6817
12.	2023	\$1.5768	\$0.6441	\$0.8226	\$1.1595	\$2.2210	\$2.3994	\$2.7364
13.	2024	\$1.6249	\$0.6413	\$0.8245	\$1.1687	\$2.2662	\$2.4495	\$2.7937
14.	2025	\$1.7644	\$0.6402	\$0.8283	\$1.1797	\$2.4047	\$2.5927	\$2.9441
15.	2026	\$1.7231	\$0.6586	\$0.8550	\$1.2214	\$2.3818	\$2.5782	\$2.9445
16.	2027	\$1.7694	\$0.7057	\$0.9200	\$1.3192	\$2.4751	\$2.6894	\$3.0886
17.	2028	\$1.8083	\$0.7420	\$0.9726	\$1.4015	\$2.5502	\$2.7808	\$3.2097
18.	2029	\$1.8469	\$0.7463	\$0.9849	\$1.4277	\$2.5932	\$2.8318	\$3.2746
19.	2030	\$1.8915	\$0.7360	\$0.9790	\$1.4296	\$2.6275	\$2.8705	\$3.3211
20.	2031	\$1.9224	\$0.7289	\$0.9764	\$1.4345	\$2.6513	\$2.8988	\$3.3569
21.	2032	\$2.1460	\$0.7487	\$1.0075	\$1.4857	\$2.8947	\$3.1535	\$3.6316
22.	2033	\$1.9540	\$0.8026	\$1.0838	\$1.6024	\$2.7566	\$3.0378	\$3.5564
23.	2034	\$1.9910	\$0.8466	\$1.1471	\$1.7010	\$2.8376	\$3.1381	\$3.6920
24.	2035	\$2.0290	\$0.8821	\$1.2010	\$1.7890	\$2.9111	\$3.2300	\$3.8180
25.	2036	\$2.0671	\$0.8803	\$1.2058	\$1.8047	\$2.9474	\$3.2729	\$3.8718
26.	2037	\$2.1016	\$0.8764	\$1.2086	\$1.8191	\$2.9780	\$3.3103	\$3.9207
27.	2038	\$2.1408	\$0.8750	\$1.2141	\$1.8361	\$3.0158	\$3.3550	\$3.9769

^{1/} Cost per ton on Page 1 of Exhibit TDC-1 converted to cost per MMBtu based on 8,400 Btu/lb coal.