

**Forecast of Transportation Rates
To OtterTail Power's Big Stone Plant**

		Rail Transportation Forecast	Fuel Surcharge Forecast	Railcar Maintenance Forecast	Railcar Lease Forecast	Total Transportation Price Forecast	Percent Change In Forecasted Price
<u>Year</u>		<u>(\$/Ton) 1/</u>	<u>(\$/Ton) 2/</u>	<u>(\$/Ton) 3/</u>	<u>(\$/Ton) 4/</u>	<u>(\$/Ton) 5/</u>	<u>Price 6/</u>
(1)		(2)	(3)	(4)	(5)	(6)	(7)
1.	2012	\$17.21	\$1.98	\$0.04	\$1.15	\$20.38	xxx
2.	2013	\$17.20	\$1.98	\$0.07	\$1.17	\$20.42	0.2%
3.	2014	\$17.18	\$1.98	\$0.05	\$1.20	\$20.41	-0.1%
4.	2015	\$17.94	\$1.98	\$0.06	\$1.23	\$21.21	3.9%
5.	2016	\$18.72	\$1.98	\$0.15	\$1.26	\$22.11	4.3%
6.	2017	\$19.17	\$2.05	\$0.05	\$1.29	\$22.56	2.1%
7.	2018	\$19.62	\$2.20	\$1.39	\$1.33	\$24.55	8.8%
8.	2019	\$20.10	\$2.28	\$0.07	\$1.36	\$23.81	-3.0%
9.	2020	\$20.59	\$2.35	\$0.07	\$1.39	\$24.40	2.5%
10.	2021	\$21.09	\$2.43	\$1.60	\$1.43	\$26.55	8.8%
11.	2022	\$21.63	\$2.58	\$0.06	\$1.46	\$25.74	-3.1%
12.	2023	\$22.20	\$2.73	\$0.05	\$1.50	\$26.49	2.9%
13.	2024	\$22.80	\$2.89	\$0.08	\$1.54	\$27.30	3.0%
14.	2025	\$23.42	\$3.04	\$1.61	\$1.58	\$29.64	8.6%
15.	2026	\$24.06	\$3.11	\$0.16	\$1.62	\$28.95	-2.3%
16.	2027	\$24.71	\$3.27	\$0.09	\$1.66	\$29.73	2.7%
17.	2028	\$25.20	\$3.42	\$0.06	\$1.70	\$30.38	2.2%
18.	2029	\$25.70	\$3.49	\$0.10	\$1.74	\$31.03	2.1%
19.	2030	\$26.20	\$3.72	\$0.07	\$1.78	\$31.78	2.4%
20.	2031	\$26.72	\$3.57	\$0.17	\$1.83	\$32.30	1.6%
21.	2032	\$27.26	\$3.27	\$3.65	\$1.87	\$36.05	11.6%
22.	2033	\$27.80	\$3.04	\$0.07	\$1.92	\$32.83	-8.9%
23.	2034	\$28.36	\$3.04	\$0.08	\$1.97	\$33.45	1.9%
24.	2035	\$28.93	\$3.04	\$0.11	\$2.02	\$34.09	1.9%
25.	2036	\$29.51	\$3.04	\$0.12	\$2.07	\$34.73	1.9%
26.	2037	\$30.10	\$3.04	\$0.06	\$2.12	\$35.31	1.7%
27.	2038	\$30.70	\$3.04	\$0.06	\$2.17	\$35.97	1.9%

1/ Based on L. E. Peabody & Associates, Inc. forecast of captive PRB rail transportation rates, assuming a 904 mile loaded move.

2/ Fuel surcharge based on BNSF's existing mileage based fuel surcharge, assuming a 904 mile loaded move, 119 net tons per car and on highway diesel fuel prices as forecasted by the Energy Information Administration.

3/ LEPA Maintenance Forecast based on 80% private shop maintenance and 20% railroad shop maintenance

4/ Otter Tail Power's railcar lease estimate provided in "BSP II price forecast for LE Peabody.xls" ["Rail lease cost based on budgetary estimate by Trinity Rail (375 cars @ 645/month lease)"] increased by LEPA's estimate annual railcar price inflation of 2.5%. Ad Valorem Taxes for Wyoming have been included.

5/ Sum of Columns (2) through (5)

6/ [(Current Year Price in Col. (6) ÷ Prior Year Price in Col. (6)) - 1] x 100