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January 18, 2010

Darrell Nitschke
Executive Secretary/Director of Administration
North Dakota Public Service Commission
State Capitol
Bismarck, ND 58505

RE: Case No. PU-401-88-374, Annual Depreciation Rates
Amended PSC Order dated June 23, 1992

Dear Mr. Nitschke:

Pursuant to the above-referenced order, I am enclosing Minnesota Public Utilities Commission Order dated January 11, 2010, certifying proposed service lives, net salvage values, and resulting depreciation rates. This order certifies depreciation rates and methods based on Otter Tail's annual review of depreciation parameters. I am also enclosing Otter Tail's original filing that lists on Attachment 2 the remaining lives and net salvage or amortization period requested to be certified. The rates are effective January 1, 2010.

Also included is a worksheet showing that the estimated impact on North Dakota of any changes in depreciation rates to be an increase in annual expense of \$251,705.

An electronic copy of this filing is being sent to you at dnitschk@nd.gov and to ndpsc@nd.gov. These items are filed for your information. If you have any questions, please contact me at 218-739-8289 or bbrutlag@otpco.com.

Very truly yours,

/s/ BERNADEEN BRUTLAG
Bernadeen Brutlag
Manager, Regulatory Services

wao
Enclosures
By electronic filing and U.S. Mail

1 PU-10-32 Filed 01/18/2010 Pages: 90
2010 Annual Depreciation Rates
Otter Tail Power Company
Bernadeen Brutlag, Mgr., Reg. Svcs.

Minnesota Public Utilities
Commission Order
Dated January 11, 2010

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

David Boyd
J. Dennis O'Brien
Phyllis Reha
Thomas Pugh
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

Loyal K. Demmer, CMA
Depreciation Accountant
Otter Tail Power Company
215 South Cascade Street
PO Box 496
Fergus Falls, MN 56538-0496

SERVICE DATE: January 11, 2010

DOCKET NO. E-017/D-09-1019

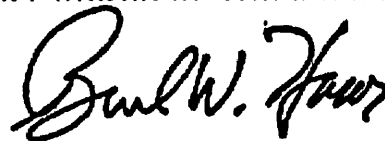
In the Matter of Otter Tail Power Company's Petition for Approval of its 2009 Annual Review of Depreciation Certification

The above entitled matter has been considered by the Commission and the following disposition made:

- 1. The Commission certifies Otter Tail Power Company's proposed service lives, net salvage values, and resulting depreciation rates proposed in its August 28, 2009 Petition, to be effective at January 1, 2010;**
- 2. OTP shall file its next annual depreciation study by September 1, 2010; and**
- 3. OTP shall continue to include in future filings a table comparing the resource plan lives and the remaining lives used for depreciation purposes and explain any differences.**

The OES has affirmed that Otter Tail Power Company's (OTP's or the Company's) reply comments (copy attached) have addressed all concerns the OES had raised in its Comments (copy attached) regarding the Company's Annual Depreciation Certification request. Having reviewed the Company's filing, together with OES's comments and the Company's reply comments, the Commission finds that the Company's filing is thorough and complete.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary

(S E A L)

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November 10, 2009

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Office of Energy Security
Docket No. E017/D-09-1019

Dear Dr. Haar:

Attached are the comments of the Minnesota Office of Energy Security (OES) in the following matter:

Otter Tail Power Company's Petition for Approval of its 2009 Annual Review of Depreciation Certification.

The petition was filed on August 28, 2009. The Petitioner is:

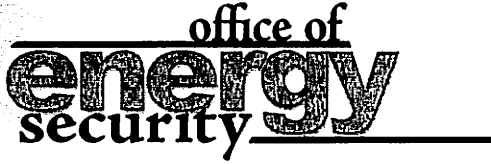
Loyal K. Demmer, CMA
Depreciation Accountant
Otter Tail Power Company
215 South Cascade Street
PO Box 496
Fergus Falls, MN 56538-0496

The OES recommends that OTP address in reply comments our concerns regarding the Company's new policy with respect to plant life extensions. The OES will provide additional comments subsequent to OTP's reply comments.

Sincerely,

MARK A. JOHNSON
Financial Analyst

MJ/jl
Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA OFFICE OF ENERGY SECURITY

DOCKET NO. E017/D-09-1019

I. BACKGROUND

Otter Tail Power Company (Otter Tail, OTP, or the Company) submitted its 2009 Annual Review of Depreciation Certification (Annual Review) and its 2009 Technical Update of depreciation rates that was prepared by the economic consulting firm Foster Associates, Inc. The Company's Annual Review and 2009 Technical Update were based on Otter Tail's plant and reserve balances as of December 31, 2008. The Annual Review was filed on August 28, 2009.

II. SUMMARY OF OTTER TAIL'S PROPOSAL

The Company is proposing minor changes to both the remaining lives of plant and equipment and salvage values. The proposed adjustments to remaining lives reflect the normal passage of time since the 2008 depreciation petition (Docket No. E017/D-08-1042). The proposal also reflects the various plant investments and retirements that occurred during this period.

Otter Tail's proposal in the pending docket would result in several adjustments to its annual depreciation accruals (see Table 1 below). The result, overall, would increase annual depreciation rates from 2.91 percent to 2.97 percent. These adjustments represent a \$671,150 increase in Otter Tail's annual depreciation expense. The portion of the increase allocated to the Minnesota jurisdiction is \$350,317. According to the Company, the proposed expense increase is largely attributable to a change in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant. This issue is further discussed below in Sections C and D.

Based on the results of the depreciation study, Otter Tail requests certification of the remaining service lives, salvage values, and resulting depreciation rates as provided in this filing, with an effective date of January 1, 2010.

Table 1: Proposed Changes in Depreciation Rates

Function	Accrual Rate			2009 Annualized Accrual		
	Present	Proposed	Difference	Present	Proposed	Difference
Production Steam	2.71%	2.89%	0.18%	\$9,035,934	\$9,615,793	\$579,859
Production Hydraulic	3.31%	3.75%	0.44%	114,319	129,639	15,320
Production Other	3.86%	3.88%	0.02%	8,982,534	9,025,055	42,521
Transmission	1.94%	1.96%	0.02%	4,089,686	4,132,436	42,750
Distribution	2.75%	2.75%	0.00%	9,383,731	9,835,784	2,053
General Plant	5.03%	5.00%	-0.03%	2,405,432	2,394,079	-11,353
TOTAL UTILITY	2.91%	2.97%	0.06%	\$34,011,636	\$34,682,786	\$671,150

III. OES ANALYSIS

A. DEPRECIATION RULES

Minnesota Rules part 7825.0500, subp. 7 states that “Depreciation accounting means a system of accounting which aims to distribute cost or other basic value of tangible capital assets, less salvage, if any, over the estimated useful life of the unit, which may be a group of assets, in a systematic and rational manner.” In determining the method to calculate the amount to distribute each year, Minnesota Rules part 7825.0800 further states that “The commission prescribes the straight-line method for calculating depreciation, excluding depletion, accruals Any exceptions to these methods require specific justification and certification by the commission.” The straight-line approach is used to minimize subsidies which arise in depreciation settings when ratepayers of one generation pay a greater share of the depreciation expense than ratepayers in another generation. In the instant filing the Company uses a straight-line method; however, for certain General Plant accounts it uses amortization accounting.

For determining estimated useful life and salvage rates, Minnesota Rules part 7825.0800 states that “No specific methods are prescribed by the commission in estimating service lives and salvage values. The methods selected by each utility will be reviewed for appropriateness by the department [OES] staff as part of the utility's certification filing.” Furthermore, Minnesota Rules part 7825.0500, subp. 10 define “probable service life” as meaning “that period of time extending from the date of its installation to the forecasted date when it will probably be retired from service.” Each utility has two different filings in which retirement dates are forecasted: the utility’s resource plan (RP) filing and the annual remaining lives (RL) filing. The OES believes that it is useful to compare the lives remaining in the RP and in the RL filings to examine the differences, to gain a greater understanding of the Company's future plans regarding its capital assets, and to improve the RL review process.

B. COMPARISON OF RESOURCE PLAN AND REMAINING LIVES

In Otter Tail's 2008 annual depreciation study (Docket No. E017/D-08-1042), the Company was required by the Commission in its Order of June 1, 2009 to include a table in future filings comparing the RP lives and RL for purposes of depreciation and to explain any differences. The Company, in Attachment No. 4 to the petition, has provided a table comparing the RL for depreciation purposes and the lives used for RP purposes.

As shown in Attachment No. 4, OTP has extended the Jamestown and Lake Preston peaking facilities by one year. However, the Company states that there has been no change to these facilities since the previous five-year study and does not consider these differences significant.

As noted in our previous depreciation comments in Docket No. E017/D-08-1042, Otter Tail extended its Hoot Lake Units 2 and 3 base-load facilities by two years to 2019. Again, the OES notes that these retirement dates are not consistent with the Commission's recent decision, dated March 17, 2009, in *The Matter of the Application of Otter Tail Power Company and Others for Certification of Transmission Facilities in Western Minnesota*, Docket No. E017, et. al./CN-05-619 (Big Stone II proceeding), that the Hoot Lake generators operate no longer than to the end of 2018 (except under certain conditions). However, OTP chose not to be a partner in the Big Stone II project, and the project itself has recently been abandoned by the remaining partners. The partners requested that the Commission relieve all of the partners of any obligation that was placed on them in the Big Stone II proceeding. Comments are pending in that proceeding, so the OES defers to the Commission's decisions regarding Hoot Lake in the Big Stone II proceeding. In the meantime in the instant proceeding, The OES does not consider any of the differences due to the extensions to be significant because OTP will have opportunities in subsequent depreciation filings to make adjustments to the remaining lives of the affected facilities. The OES, therefore, accepts the Company's RL/RP comparison at this time.¹

The Company notes that the remaining lives calculated for depreciation purposes are intended to be exact and are based on information known at a given point in time. In contrast, the remaining lives for resource planning purposes are less exact and subject to change in the long-term. For example, when the horizon of the resource plan does not extend to the anticipated retirement dates of certain facilities, no retirement dates for these facilities are discussed in the resource plan. Thus, the Company explains, no basis for comparison of RP/RL exists for these facilities. However, the Company points out, for the first 13 years of the 15-year planning study the two filings are in complete agreement.

¹ The OES notes that there is discussion about the timing of OTP's next peaking plant facility that is taking place in OTP's resource plan. However, that timing will not affect the depreciation rates for existing plants.

The OES concludes that it is useful to reconcile the RP lives and the remaining lives for purposes of depreciation to obtain a better understanding of future plans by the Company to maintaining production facilities. Such comparison is one of the many tools to use to help ensure that rates are reasonable and service is reliable. Thus, the OES supports continuation of the requirement for OTP to reconcile the two forecasts in the future and recommends that the Commission require Otter Tail to include a table comparing the resource planning lives and remaining lives for purposes of depreciation and fully explain any differences.

C. PLANT BALANCES, ADDITIONS, RETIREMENTS

Table 2: Changes in Primary Plant Balance Accounts

Primary Plant Assets	Beginning Plant Balance 12/31/07	Additions (\$)	Retirements (\$)	Transfers (\$)	Ending Plant Balance 12/31/08
Steam Production	\$327,657,279	8,823,248	3,662,068		\$332,818,460
Hydraulic Production	\$3,184,423	280,123	7,578		\$3,457,029
Other Production	\$104,119,672	128,763,998	94,302		\$232,789,368
Transmission Plant	\$191,217,245	20,586,558	703,316	(451,217)	\$210,649,270
Distribution Plant	\$321,443,409	21,967,182	3,151,703	451,217	\$340,710,106
General Plant	\$44,967,926	3,895,641	1,071,703	52,207	\$47,844,071
TOTALS	\$992,589,955	184,316,812	8,690,669	52,207	\$1,168,268,304

Table 2 shows the changes to Otter Tail’s plant balances during 2008. The net effect is an increase of plant balance by \$175,678,349. More specifically, Table 2 shows that Otter Tail had significant additions (\$128,763,998) to its other productions assets during 2008. The OES asked OTP to explain this increase. According to OTP, the majority of this increase is attributable to Otter Tail’s investments in its Ashtabula and Langdon wind farms totaling \$115,325,924 and \$12,797,923, respectively.²

D. PLANT BALANCES, FUTURE ADDITIONS AND RETIREMENTS

Minnesota State Agency Rules 7825.0700, subpart 2, B. states that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results. In Attachment No. 3 of its petition, the Company states that “The Company is unaware of any major future additions or retirements that would materially affect the current certification results with the exception of a wind general project that is currently under construction, the Luverne Wind Center located in east-central North Dakota.” Similar to its other wind generating facilities, OTP is requesting a 25-year life with zero salvage value for the Luverne Wind Center. The OES notes that the Company’s

² Per Otter Tail’s response via email.

petition for approval of its Luverne Wind Center (Docket No. E017/M-09-883) is currently pending before the Commission. Specifically, the OES filed comments on October 26, 2009 requesting further information from Otter Tail.

According to OTP, the Company filed its latest Resource Plan on July, 1, 2005 (Docket No. E017/RP-05-968). The Company's Resource Plan provided information on OTP's plans for future generation. The Company's Resource Plan has since been updated twice, in October 2006 and January 2008, to reflect changes in the costs and timing of future resources. The Resource Plan was approved on March 18, 2009 and indicated a new resource coming on line in 2010 from Big Stone II. Subsequent to the filing of the instant petition, Otter Tail announced its withdrawal from the Big Stone II project and the remaining applicants announced that the project would not go forward.

Otter Tail states that the Commission's Order in Docket No. E017/RP-05-968 required that "In its first depreciation filing that includes new peaking generators, Otter Tail shall compare the last rate case's short term peaking capacity costs to the peaking capacity costs of the new generators." According to Otter Tail, the Company is still evaluating its peaking capacity options and has not made a final decision on which peaking option to pursue. As a result, there is no information to report on to fulfill the requirements of the Commission's Order at this time.

According to OTP, transmission issues continue to evolve in response to the Federal Energy Regulatory Commission (FERC) initiatives on open access and Otter Tail's related decision to join the Midwest Independent System Operator (MISO). In addition, OTP has joined with other area utilities to study future transmission needs in Minnesota (CapX 2020) and to develop coordinated solutions that may lead to significant investment. As explained in Attachment No. 3 of the petition, the Commission has granted Otter Tail and its partners certificates of need for several transmission projects including those related to Big Stone II. In addition, OTP states that besides the CapX2020 and Big Stone II transmission projects, the Company has not specifically identified any other major transmission projects that would materially affect future depreciation certification.

The Company notes, in Attachment No. 3, that the trend continues for steam plant depreciation: specifically they state that, as new additions are added to maintain existing plant lives, the effect on depreciation grows disproportionately. As a result, OTP concludes that any net increase to plant balances will be depreciated over shorter periods of time, resulting in an increase in OTP's annual depreciation expense. According to OTP, it will continue to evaluate the condition of its existing steam and peaking plants and the related costs to continue operating these plants past their current service lives designated for accounting purposes. The Company will address this issue in its next Integrated Resource Plan. In addition, Otter Tail states that:

In conjunction with the steam plant depreciation expense trend and our internal generating plant evaluations, the Company has adopted a new policy this year. Each year the internal review of generating assets will determine if the assets can still be operated economically for another ten years (minimum relevant operating range). If so, a minimum life of 10 years will be used for depreciation purposes. Additionally, in recognition that major baseload generation facilities take a considerable amount of lead time and to ensure that a sizeable majority of generating assets are not retiring simultaneously, the policy maintains that a minimum of five years separation of remaining life intervals are maintained between major generating plants.

The OES appreciates Otter Tail's thorough explanation of its future plant additions and retirements. However, the OES is concerned with Otter Tail's proposed new policy regarding plant life extensions. Otter Tail appears to be indicating that a plant's life extension for depreciation purposes must be for a minimum of 10 years. However, the OES notes that significant plant additions may result in a corresponding life extension which is less than 10 years. Furthermore, the OES notes that any plant life extensions should be based on an engineering study rather than the Company's new policy, which predetermines that a plant's life extension must be a minimum of 10 years. For example, if the Company makes significant investments in a steam plant's boiler, an engineering study would determine the length of any corresponding life extension, which may or may not coincide with the Company's minimum 10 year life extension. The OES recommends that the Company respond to our concerns in its reply comments. The OES will provide additional comments subsequent to OTP's reply comments.

E. RESERVE RATIO ANALYSIS

The reserve ratios for the last six years are presented below:

Table 3: Reserve Ratio History

Year	Plant Balance	Reserve Balance	Reserve Ratio	Change In Reserve	Ratio Reserve Change to Plant Balance
2008	\$1,168,268,304	\$463,904,124	46.96%	\$20,474,899	1.76%
2007	\$992,589,947	\$443,429,225	44.67%	\$12,328,624	1.24%
2006	\$896,117,018	\$431,100,601	48.11%	\$19,762,628	2.21%
2005	\$875,999,458	\$411,337,973	46.96%	\$12,796,484	1.46%
2004	\$854,901,741	\$398,541,489	46.62%	\$9,921,743	1.16%
2003	\$840,666,763	\$388,619,746	46.23%	\$10,069,385	1.20%

The above reserve ratios indicate the percentage of plant depreciated or expensed by the end of each fiscal year. As of the end of 2008, approximately 47 percent of electric utility plant has been expensed. A column showing the ratio of the change in reserve to the plant balance is included to indicate the overall approximate depreciation rate. The account balances provided in Tables 2 and 3 above are from Otter Tail's current and prior depreciation studies filed with the Commission and OES.

F. RESERVE IMBALANCE

In last year's depreciation filing (Docket No. E017/D-08-1042), OTP included the amortization of a reserve imbalance. Since the current petition did not discuss a reserve imbalance, the OES asked OTP, in OES Information Request No. 1, whether the Company's proposed depreciation rates included the amortization of a reserve imbalance, and if so, to provide these amounts. OTP replied that:

As part of the annual depreciation review, a theoretical reserve is calculated for comparison with the actual recorded reserve. This difference is quantified for informational purposes, the remaining life formula for computing depreciation expense continually considers and corrects any differences between these two amounts by relying on the redistributed reserve ratio. In this way, the amortization of the difference is included in the depreciation rates. There is no separate amortization of the difference.

Statement C of Attachment 1 to Otter Tail's Petition provides a comparison of recorded, computed, and redistributed reserves at December 31, 2008. The recorded reserve on page 18 of Attachment 1 was \$463,904,124 or 39.71 percent of the depreciable plant investment. The corresponding computed reserve is \$435,044,260 or 37.24 percent of the depreciable plant investment. A proportionate amount of the measured reserve imbalance of \$28,859,864 will be amortized over the composite weighted-average remaining life of each rate category using remaining life depreciation rates. The depreciation rates using the remaining life formula incorporate an annual "amortization" of \$1,595,671. Of this, Minnesota's portion is approximately \$815,546.

The OES notes that Otter Tail's proposal to amortize its reserve imbalance reduces its annual depreciation expense by \$815,546 on a Minnesota jurisdictional basis. In addition, the OES notes that Otter Tail's amortization of its reserve imbalance is a prospective adjustment that affects Otter Tail's proposed depreciation rates and does not retroactively adjust Otter Tail's

recorded depreciation reserve, which is appropriate since it avoids a double recovery in rates. Finally, the OES notes that Otter Tail has included the amortization of its reserve imbalance in its proposed depreciation rates since 1993.³ Based on our review, the OES accepts Otter Tail's reserve imbalance approach.

G. EFFECTIVE DATE FOR DEPRECIATION RATES

Otter Tail requests that the effective date for its proposed depreciation rates be set at January 1, 2010. The OES agrees that this date is consistent with Commission Orders in previous depreciation studies, and is reasonable in this docket.

H. SUMMARY

The OES examined Otter Tail's petition for reasonableness of the proposed remaining lives, salvage values, and resulting depreciation rates. Based on our review, the OES recommends that OTP address in reply comments our concerns regarding the Company's new policy with respect to plant life extensions for depreciation purposes.

IV. RECOMMENDATIONS

Based on our review, the OES recommends that OTP address in reply comments our concerns regarding the Company's new policy with respect to plant life extensions for depreciation purposes.

/jl

³ Per Otter Tail's previous depreciation filing (Docket No. E017/D-08-1042), Pages 15-16.

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VIA E-FILING

November 23, 2009

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

**Re: 2009 Annual Review of Depreciation Certification
Otter Tail Power Company Reply Comments
MPUC Docket No. E017/D-09-1019**

Dear Dr. Haar:

In the enclosed e-filing correspondence please find Otter Tail Power Company's, Reply Comments to the OES Comments dated November 10, 2009, in the above-captioned docket.

Please contact me at (218) 739-8659 or ldemmer@otpco.com if you have any questions.

Sincerely,

/s/ LOYAL K. DEMMER

Loyal K. Demmer, CMA
Depreciation Accountant

wao
Enclosures
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of Otter Tail Power Company's
*Petition for Approval of its 2009 Annual
Review of Depreciation Certification*

Docket No. E017/D-09-1019

REPLY COMMENTS OF OTTER TAIL POWER COMPANY

I. INTRODUCTION

These Reply Comments are made in response to the Minnesota Office of Energy Security (OES) *Review of Otter Tail Power Company's Petition for Approval of its 2009 Annual Review of Depreciation Certification* issued November 10, 2009, filed in the above-captioned docket. Specifically, these Reply Comments provide Otter Tail Power Company's (Otter Tail's) response to the OES's request to provide additional information on its new policy regarding generating plant assets remaining lives.

Otter Tail adopted the new Generating Plant Remaining Lives policy as a result of its baseload generation facilities all approaching the later portions of their operating lives possibly simultaneously.

The policy alleviates concerns raised in prior depreciation filings in regard to steam generation remaining lives and annual depreciation expense. This response provides clarification on how the new policy is implemented, and explains that the policy is not limited as the OES Comments suggest. A copy of the policy is attached. (See Attachment 1).

II. OTTER TAIL'S RESPONSES

The OES stated its concern as follows:

"The OES appreciates Otter Tail's thorough explanation of its future plant additions and retirements. However, the OES is concerned with Otter Tail's proposed new policy regarding plant life extensions. Otter Tail appears to be indicating that a plant's life

extension for depreciation purposes must be for a minimum of 10 years. However, the OES notes that significant plant additions may result in a corresponding life extension which is less than 10 years. Furthermore, the OES notes that any plant life extensions should be based on an engineering study rather than the Company's new policy, which predetermines that a plant's life extension must be a minimum of 10 years. For example, if the Company makes significant investments in a steam plant's boiler, an engineering study would determine the length of any corresponding life extension, which may or may not coincide with the Company's minimum 10 year life extension. The OES recommends that the Company respond to our concerns in its reply comments. The OES will provide additional comments subsequent to OTP's reply comments."

Otter Tail's policy does not require a generation asset's remaining life must be for a minimum of 10 years.

Under Otter Tail's new policy, internal plant reviews by management will take place annually instead of the current five-year reviews made in conjunction with the comprehensive depreciation studies. According to Otter Tail's new policy, an annual review will be completed to assess current plant operating conditions and whether the plant is economically capable of operating an additional ten years or more. If the result is affirmative, the plant's remaining life will be its current retirement date, or according to results of the assessment test, a minimum of ten years, but for baseload generation plants at least five years greater than the previous baseload plants remaining life.

If the annual analysis result is negative, (i.e. that the plant is incapable of operating economically an additional ten years) management will then alter the operating strategy for the plant to accommodate the pending retirement, especially in the area of capital expenditures, which have a direct effect on depreciation expense.

Otter Tail's generation asset remaining life evaluations are based on engineering assessments.

Historically, Otter Tail has reviewed its plant remaining lives every five years in conjunction with its five-year depreciation studies. As part of those studies, plant engineering staff would consult to assess whether the plant's remaining life was obtainable. In the early years of a plant's existence, with retirement seemingly a long way off, the assessment rarely resulted in a modification to the retirement date originally set when the plant became operational. The more distant a plant's expected retirement date, the harder it is to assess the ability of that plant to meet that expected retirement date. However as plants enter the latter half of their originally expected lives, engineering assessments have often resulted in an extension of the expected remaining life. While Otter Tail has always relied on internal engineering assessments conducted every five years, Otter Tail is now formalizing this process to be an annual discipline in order to best manage its aging fleet of generation assets.

III. CONCLUSION

Otter Tail has included a copy of its Generating Assets Remaining Life Policy for review. The policy should remediate prior depreciation filing concerns around ever escalating depreciation rates as plants approach their respective retirement age. It does not require a determination that a generation asset's remaining life for depreciation purposes must be a minimum of ten years. These annual evaluations are based on engineering assessments. With this explanation, Otter Tail requests that its Petition be approved.

Dated: November 23, 2009

Respectfully submitted,

OTTER TAIL POWER COMPANY

By /s/ LOYAL DEMMER

Loyal Demmer
Depreciation Accountant
Otter Tail Power Company
215 South Cascade
PO Box 496
Fergus Falls, MN 56538-0496
218-739-8659

POLICY MANUAL
11/17/2008

SUBJECT: DETERMINATION OF GENERATION ASSETS REMAINING LIVES

This policy defines how Otter Tail Power Company will establish the remaining lives of its generating assets as they approach the later portion of their existing depreciation lives.

PURPOSE: Regulated accounting depreciation procedures determine annual depreciation rates for each functional asset class at the FERC account level and down to the generating plant location when applicable. Plant generating assets that share the same FERC account but are independent of each other can and do have different depreciation parameters and thus different depreciation rates. The operating lives' of these generating assets are determined by economic considerations and not just the physical life of the plant's components. The end of the operating life is determined when economic considerations make it more economical to discontinue using the generating assets than to continue to use them.

The Company policy regarding remaining depreciation periods for base load plants contain the following main points:

- Economic considerations for large scale capital intensive generating assets tend to encourage a series of later life interdependent investments which over time tend to lengthen the relevant operating life span of these assets. Based on the existing facilities infrastructure, synergistic economic efficiencies are realized from these additional incremental investments only after an additional correlating incremental time span is added to the existing assets remaining life.
- Plants operating with economic benefits and that remain in service within ten years of their existing estimated life will have a minimum of 10-year remaining depreciation period. Ten years is believed to be a reasonable period to recover existing invested costs, and systematically develop replacement capacity and energy resources, while minimizing the financial risk of an unplanned retirement.
- Base load steam plants will maintain a 5-year separation in remaining operating life with other base load plants. This is to ensure that we never have too much baseload generating assets retiring simultaneously.
- For plants that remain economically viable an additional year of depreciation life will be added to all plants each year. This will maintain the 10 year minimum and the 5-year separation for base load steam plants as stated above reflecting the real economic relevant range for ongoing incremental generating plant investments.
- Once an asset reaches the minimum 10-year depreciation life, an annual internal evaluation of the plants physical condition will be made. The purpose of the evaluation will be to make an assessment that the plant can be operational for the

remaining depreciation period. This assessment assumes normal maintenance and equipment replacement. If at any time, there are factors that would indicate that that generating facility is not expected to be operable for the remaining depreciation period; the depreciation period will be modified accordingly.

- Under this policy the remaining depreciable life for steam plants are as follows:

	Hoot Lake #2	Hoot Lake #3	Big Stone 1	Coyote
Year In Service	1959	1964	1975	1981
Depreciation life				
Current	2017	2017	2020	2025
Proposed	2019	2019	2024	2029
Remaining Depreciation Period	10	10	15	20

The company policy regarding the remaining depreciation periods for peaking generation is the same as stated above, with the exception of the 5-year separation referenced for the base load steam plants. The in-service dates for the two Jamestown and one Lake Preston peaking facilities are within two years of one another. Depending on the size of replacement resource(s), all three units may all be retired at the same time if one larger resource replaces them collectively. Alternately, if multiple units replace these units, a review of the condition of each unit will be used to identify a staggered schedule for their retirements that would match the schedule of the replacement resources.

The remaining depreciation lives for the Otter Tail River hydros will be determined by the FERC license. The Bemidji Hydro is not under FERC jurisdiction, but is of a similar vintage, so it is assumed it will have a similar depreciation life.

Wind generation assets will initially start out with a 25 year expected life. This initial life expectancy will be modified as needed if indications point to a needed change.

- Under this policy the remaining depreciable life for other generation are as follows:

	Jamestown #1	Jamestown #2	Lake Preston	Solway 2003	Hydros early 1900s
Year In Service	1976	1978	1978		
Depreciation life					
Current	2019	2019	2019	2038	2021
Proposed	2019	2019	2019	2038	2021
Remaining Depreciation Period	10	10	10	29	12

The depreciable life allows for the cost recovery of capital expenditures over the expected useful life of those investments (the operating relevant range). At some point for each generating asset, a final retirement date must be set. The determination of a generating asset's eventual operational life and the reconciliation of that to the

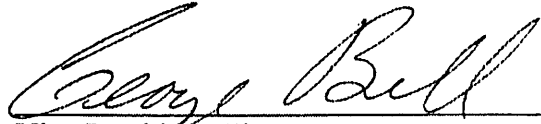
depreciable life will be a cooperative effort that will include the plant engineering staff, the Resource Planning Department, the Accounting Department, Environmental Services, and other interested areas. This evaluation will give due consideration of each unit's age, operating characteristics, ongoing capital replacement requirements, expected future usage, and economic and environmental constraints. Recommendations regarding a generating asset's final retirement date will be given to management prior to June 1st each year.

There are external and internal factors that could reduce the remaining depreciable life and accelerate the depreciation for any asset.



Senior Vice President

APPROVED:



Vice President, Finance

STATE OF MINNESOTA)
)SS
COUNTY OF RAMSEY)

AFFIDAVIT OF SERVICE

I, Robin Benson, being first duly sworn, deposes and says:

That on the 11th day of January, 2010 she served the attached
ORDER.

MNPUC Docket Number: E-017/D-09-1019

- XX By depositing in the United States Mail at the City of St. Paul, a true and correct copy thereof, properly enveloped with postage prepaid
- XX By personal service
- XX By inter-office mail

to all persons at the addresses indicated below or on the attached list:

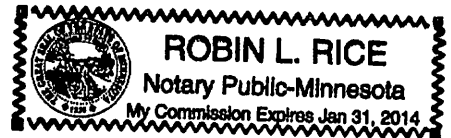
Christopher Fittipaldi
Docketing - OES
Julia Anderson - OAG
John Lindell- OAG

Robin Benson

Subscribed and sworn to before me,

a notary public, this 11th day of
January, 2010

Robin L. Rice
Notary Public



Service List Name	First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret
OFF_SL_9-1019_Official	Bruce	Gerhardson	bgerhardson@ottertail.com	Otter Tail Corporation	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Electronic Service	No
OFF_SL_9-1019_Official	Burt W.	Haar	burt.haar@state.mn.us	MN Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No
OFF_SL_9-1019_Official	John	Lindell	agorud.ecf@state.mn.us	OAG-RUD	900 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No
OFF_SL_9-1019_Official	Julia	Anderson	Julia.Anderson@state.mn.us	MN Office Of The Attorney General	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No
OFF_SL_9-1019_Official	Loyal	Demmer	ldemmer@olpcco.com	Otter Tail Power Co.	215 South Cascade Street PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No
OFF_SL_9-1019_Official	Sharon	Ferguson	sharon.ferguson@state.mn.us	State of MN - DOC	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No

Otter Tail Power Company's
2009 Minnesota Annual Review of
Depreciation Certification Filing

215 South Cascade Street
PO Box 496
Fergus Falls, Minnesota 56538-0496
218 739-8200
www.otpco.com (web site)



VIA E-FILING

August 28, 2009

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

**Re: Otter Tail Power Company
2009 Annual Review of Depreciation Certification
Docket No. E017/D-09-_____**

Dear Dr. Haar:

Otter Tail Power Company hereby submits its 2009 Annual Review of Depreciation Certification. Also enclosed is a Certificate of Service.

Please contact me at (218) 739-8659 or ldemmer@otpco.com if you have any questions.

Sincerely,

/s/ LOYAL K. DEMMER
Loyal K. Demmer, CMA
Depreciation Accountant

wao
Enclosures
c: Service List

CERTIFICATE OF SERVICE

**RE: Otter Tail Power Company 2009 Annual Review of Depreciation Certification
Docket No. E017/D-09-_____**

I, Wendi A. Olson, hereby certify that I have this day served copies of the following on Dr. Burl W. Haar and Sharon Ferguson by e-filing, and served the following filing or summary to all other persons on the attached service list by electronic service or by First Class mail.

**Otter Tail Power Company
2009 Annual Review of Depreciation Certification**

Dated this **28th** day of **August, 2009**.

/s/ WENDI A. OLSON
Wendi A. Olson, Regulatory Assistant
Otter Tail Power Company
215 South Cascade Street
Fergus Falls MN 56537
(218) 739-8699

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 West Superior Street:#: Duluth, MN 558022093	Electronic Service	No
Michael	Bradley	bradley@moss-barnett.com	Moss & Barnett	4800 Wells Fargo Center90 South Seventh Street:#: Minneapolis, MN 554024129	Paper Service	No
Bernadeen	Brutlag	bbrutlag@otpc.com	Otter Tail Power Company	P.O. Box 496 215 South Cascade St. Fergus Falls, MN 565380496	Electronic Service	No
Gary	Chesnut	gchesnut@agp.com	AG Processing Inc. a cooperative	12700 West Dodge Road PO Box 2047 Omaha, NE 681032047	Paper Service	No
Loyal	Demmer	ldemmer@otpc.com	Otter Tail Power Co.	215 South Cascade Street:#:PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No
James C.	Erickson	jencksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee Superior, WI 54880	Paper Service	No
Sharon	Ferguson	sharon.ferguson@state.mn.us	MN Department Of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No
Bruce	Gerhardson	bgerhardson@ottertail.com	Otter Tail Corporation	P.O. Box 496 215 South Cascade Street Fergus Falls, MN 565380496	Paper Service	No
Ronald M.	Giteck	ron.giteck@state.mn.us	Office Of Attorney General	Residential Utilities Division 445 Minnesota Street, 900 BRM Tower St. Paul, MN 55101	Electronic Service	No
Burt W.	Haar	burl.haar@state.mn.us	MN Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No
Al	Krug		Xcel Energy	414 Nicollet Mall Minneapolis, MN 554011993	Paper Service	No

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th Street W Farmington, MN 55024	Paper Service	No
James D.	Larson		Avant Energy Services	Suite 300 200 South Sixth Street Minneapolis, MN 55402	Paper Service	No
Robert S	Lee	RSL@MCMLAW.COM	Mackall Crouse & Moore Law Offices	1400 AT&T Tower 901 Marquette Avenue Minneapolis, MN 554022859	Paper Service	No
Kavita	Maini	kmains@wi.rr.com	KM Energy Consulting LLC	961 North Lost Woods Road Oconomowoc, WI 53066	Paper Service	No
Andrew	Moratzka	apm@mcmlaw.com	Mackall, Crouse and Moore	1400 AT&T Tower:#901 Marquette Ave Minneapolis, MN 55402	Paper Service	No
Marcia	Podratz	mpodratz@minpower.com	Minnesota Power	30 West Superior Street Duluth, MN 55802	Paper Service	No
Larry L.	Schedin	Larry@LLSRresources.com	LLS Resources, LLC	Suite 1137 12 South Sixth Street Minneapolis, MN 55402	Paper Service	No

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

David Boyd	Chair
J. Dennis O'Brien	Commissioner
Thomas Pugh	Commissioner
Phyllis Reha	Commissioner
Betsy Wergin	Commissioner

In the Matter of Otter Tail Power Company's
Request for Approval of Its 2009 Annual
Review Of Depreciation Certification

Docket No. E-017/D-09-_____

SUMMARY OF FILING

Please take notice that on August 28, 2009, Otter Tail Power Company, filed its 2009 Annual Review of Depreciation Certification with the Minnesota Public Utilities Commission. The study is being filed under Minnesota Rules Parts 7825.0700.

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

David Boyd	Chair
J. Dennis O'Brien	Commissioner
Thomas Pugh	Commissioner
Phyllis Reha	Commissioner
Betsy Wergin	Commissioner

In the Matter of Otter Tail Power Company's
Request for Approval of its 2009 Annual
Review Of Depreciation Certification

Docket No. E-017/D-09-_____

PETITION OF OTTER TAIL POWER COMPANY

I. INTRODUCTION.

Pursuant to Minnesota Rules Part 7825.0700, Otter Tail Power Company, ("Otter Tail" or "the Company") hereby files for approval its 2009 Annual Review of Depreciation Certification.

Otter Tail requests that the study be certified effective as of January 1, 2010.

II. GENERAL FILING INFORMATION.

Pursuant to Minnesota Rule 7829.1300, subp. 4, Otter Tail provides the following general information.

A. Name, Address, and Telephone Number of Utility.

Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8200

B. Name, Address, and Telephone Number of Utility Attorney.

Bruce Gerhardson
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 998-7108
bgerhardson@otpc.com

C. Date of Filing and Date Study Proposed to Take Effect.

The filing date is August 28, 2009, and Otter Tail requests approval as of January 1, 2010.

D. Controlling Law for the Filing.

Minnesota Statutes §§ 216B.08 and 216B.11, and Minnesota Rules Part 7825.0700 – 7825.0900 control the filing.

E. Title of Utility Employee Responsible for Filing.

Loyal K. Demmer, CMA
Depreciation Accountant
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8659
ldemmer@otpc.com

III. DESCRIPTION OF FILING.

The instant filing constitutes Otter Tail's 2009 Annual Review of Depreciation Certification. Otter Tail's last five-year comprehensive depreciation study was filed in 2008, Docket E017/D-08-1042, and approved by the Public Utilities Commission on June 1, 2009. The next five-year comprehensive depreciation study is due September 1, 2013. Annual depreciation certification filings are to be filed on or before September 1 each year in the interim.

The filing consists of four parts:

1. 2009 Technical Update prepared by Foster Associates, Inc., included as Attachment No. 1;
2. Proposed Remaining Lives and Salvage Percentages for Use in 2010, Attachment No. 2;

3. Supplemental Comments, Attachment No. 3;
4. Schedule and Narrative of Comparison with Most Recent Resource Plan, Attachment No. 4.

Statement B of Attachment No. 1 is a Comparison of Present and Proposed Accruals showing accruals of both total Company and the portion allocated to Minnesota rate base. Attachment No. 2 lists the property accounts for which the Company requests certification of the remaining lives and salvage percentages to be used in determining 2010 depreciation expense. Other statements in Attachment No. 1 provide the rest of the schedules required in an annual review of depreciation. Attachment No. 3, "Supplemental Comments," addresses additional information not included in Attachment No. 1 - primarily comments related to long-term depreciation planning issues, and Attachment No. 4 provides a schedule and narrative explaining any differences between remaining life petition and most recent resource plan filing.

IV. MISCELLANEOUS INFORMATION.

- A. **Pursuant to Minnesota Rule 7829.0700, Otter Tail Requests that the Following Persons be Placed on the Commission's Official Service List for this Proceeding:**

Loyal K. Demmer, CMA
Depreciation Accountant
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496

- B. **Service on Other Parties.**

Otter Tail has served a copy of this filing on the Office of Energy Security and the Office of Attorney General, Residential Utilities Division, and a summary of the filing on all parties on the attached general service list.

C. Summary of Filing.

A one-paragraph summary of the Petition is attached.

V. CONCLUSION.

Otter Tail respectfully requests that the Commission approve the enclosed annual review of depreciation certification, to be effective as of January 1, 2010.

Dated: August 28, 2009

Respectfully submitted,
OTTER TAIL POWER COMPANY

By: /s/ LOYAL K. DEMMER

Loyal K. Demmer, CMA
Depreciation Accountant
Otter Tail Power Company
215 South Cascade Street
P. O. Box 496
Fergus Falls, MN 56538-0496
(218) 739-8659

2009 Technical Update



Prepared by
Foster Associates, Inc.



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EXECUTIVE SUMMARY

INTRODUCTION

This report presents the findings and recommendations developed in a 2009 Technical Update of depreciation rates for Otter Tail Power Company prepared by Foster Associates, Inc. The parameters (*i.e.*, projection curves, projection lives and future net salvage rates) used in the update were developed in the Company's 2008 Depreciation Study based on December 31, 2007 plant and reserve balances. Age distributions of surviving plant on December 31, 2008 were used in the 2009 update to derive composite service life statistics and theoretical depreciation reserves.

The purpose of a technical update is to adjust depreciation rates for changes in the variables associated with a remaining life accrual rate. The variables for an account include the age distribution of surviving plant, the recorded depreciation reserve and the average net salvage rate used in the calculation of a theoretical reserve. A technical update retains the parameters developed and/or approved in the most recent full depreciation study and adjusts depreciation rates for subsequent changes in plant, reserves and realized net salvage activity.

The principal findings from this review are summarized in the attached statements. Statement A provides a comparative summary of current and proposed annual depreciation rates for each rate category. Statement B provides a comparison of current and proposed annual depreciation accruals. Statement C provides a comparison of the computed and redistributed depreciation reserve for each rate category. Statement D provides a summary of the components used to obtain a weighted-average net salvage rate for each plant account. Statement E provides a computation of the estimated future net salvage rate for steam production facilities. Statement F provides a comparative summary of current and proposed parameters and statistics including projection life, projection curve, average service life, average remaining life, and average and future net salvage rates.

SCOPE OF STUDY

The principal activities undertaken in the course of conducting the 2009 Technical Update included:

- Collection of plant and net salvage data;
- Reconciliation of data to the official records of the Company;
- Development of continuity schedules;
- Computation of average net salvage rates; and
- Development of adjusted accrual rates for each rate category.

Accrual rates currently used by the Company were developed from parameters certified in Docket No. E017/D-08-1042 (Order Dated June 1, 2009). Depreciation accruals and reserve activity recorded in 2008 was posted to December 31,

2007 reserves to obtain appropriate reserve ratios for the 2009 Technical Update.

PROPOSED DEPRECIATION RATES

Table 1 provides a summary of the changes in annual rates and accruals resulting from the 2009 Technical Update. Rates proposed for each primary account (with the exception of amortization accounts) have been developed including authorized allowances for net salvage.

Function	Accrual Rate			2009 Annualized Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Production						
Steam	2.71%	2.89%	0.18%	\$9,035,934	\$9,615,793	\$579,859
Hydraulic	3.31%	3.75%	0.44%	114,319	129,639	15,320
Other	3.86%	3.88%	0.02%	8,982,534	9,025,055	42,521
Transmission	1.94%	1.96%	0.02%	4,089,686	4,132,436	42,750
Distribution	2.75%	2.75%	0.00%	9,383,731	9,385,784	2,053
General Plant	5.03%	5.00%	-0.03%	2,405,432	2,394,079	(11,353)
Total Utility	2.91%	2.97%	0.06%	\$34,011,636	\$34,682,786	\$671,150

Table 1. Current and Proposed Rates and Accruals

Adjustments developed in the technical update produce a composite depreciation rate of 2.97 percent. Depreciation expense is currently accrued at an equivalent rate of 2.91 percent. The recommended change in the composite depreciation rate is, therefore, an increase of 0.06 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$34,011,636 compared with an annual expense of \$34,682,786 using the rates developed in the update. The relatively small expense increase of \$671,150 is generally attributable to a change in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant. The portion of the increase allocated to the Minnesota jurisdiction is \$350,317.

STATEMENTS

INTRODUCTION

This section provides a comparative summary of depreciation rates, annual depreciation accruals, recorded and computed depreciation reserves, and current and proposed service life and net salvage parameters for Otter Tail Power Company. The content of these statements is briefly described below.

- Statement A provides a comparative summary of current and proposed annual depreciation rates for calendar year 2009 using the straight-line method, vintage group procedure, remaining-life technique.
- Statement B provides a comparison of the current and proposed annualized depreciation accruals for calendar year 2009 based upon the rates developed in Statement A.
- Statement C provides a comparison of recorded and computed reserves for each rate category and sets forth the computations used to redistribute recorded reserves among primary plant accounts.
- Statement D provides a summary of the components used to obtain a weighted average net salvage rate for each rate category.
- Statement E provides a computation of the estimated future net salvage rate for steam production facilities.
- Statement F provides a comparative summary of current and proposed parameters including projection life, projection curve and future net salvage rates. The statement also contains current and proposed statistics including average service life, average remaining life, and average net salvage rates.

Current depreciation accruals shown on Statement B are the product of the plant investment (Column B) and the current depreciation rates (Column D) shown on Statement A. Similarly, the proposed depreciation accruals shown on Statement B are the product of the plant investment and the proposed depreciation rates (Column H) shown on Statement A. The proposed remaining life accrual rates are given by:

$$\text{Accrual Rate} = \frac{1.0 - \text{Reserve Ratio} - \text{Future Net Salvage Rate}}{\text{Remaining Life}}$$

Minnesota State Agency Rules 7825.0700, Subpart 1 provide that each utility shall file the following schedules (for each year since the last certification) in the form prescribed by the Commission.

1. Plant in service (by primary account):
 - a) Beginning and ending plant balances;
 - b) Additions and retirements; and
 - c) Adjustments and transfers.
2. Analysis of depreciation reserve (by primary account):
 - a) Beginning and ending reserve balances;
 - b) Depreciation accruals and plant retirements;
 - c) Cost of removal and gross salvage value; and
 - d) Transfers, adjustments and other debits (credits).
3. Summary of annual depreciation accruals (by primary account):
 - a) Plant balance;
 - b) Estimated net salvage;
 - c) Depreciation reserve;
 - d) Probable service life; and
 - e) Depreciation accrual and rate.

While the Agency rules do not require submission of continuity schedules in a technical update, this section includes the following statements which set forth the above information for calendar year 2008:

1. Statement G – Plant Activity;
2. Statement H – Analysis of Depreciation Reserve; and
3. Statement I – Summary of Annual Depreciation Accruals.

Minnesota State Agency Rules 7825.0700, Subpart 2-B provide that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results. Any future additions or retirements that would materially affect the current certification results are discussed in the Company's application.

OTTER TAIL POWER COMPANY

Statement A

Comparison of Present and Proposed Accrual Rates

Present: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Present			Proposed			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
STEAM PRODUCTION							
311.00 Structures and Improvements	18.14	-7.1%	2.02%	17.12	-7.0%	70.97%	2.09%
312.00 Boiler Plant Equipment	17.05	-7.6%	2.82%	15.59	-7.5%	59.97%	3.07%
314.00 Turbogenerator Units	16.43	-8.3%	3.23%	15.45	-8.0%	56.68%	3.31%
315.00 Accessory Electric Equipment	17.63	-7.5%	2.11%	16.64	-7.4%	71.14%	2.16%
316.00 Miscellaneous Power Plant Equipment	16.40	-7.9%	3.27%	15.37	-7.7%	55.75%	3.37%
Total Steam Production Plant			2.71%	15.82	-7.5%	61.96%	2.89%
HYDRAULIC PRODUCTION							
331.00 Structures and Improvements	13.26		2.71%	12.29		58.58%	3.37%
332.00 Reservoirs, Dams and Waterways	13.25		1.84%	12.29		68.76%	2.54%
333.00 Water Wheels, Turbines & Generators	13.27		5.10%	12.30		34.46%	5.33%
334.00 Accessory Electric Equipment	13.27		4.90%	12.30		39.35%	4.93%
335.00 Miscellaneous Power Plant Equipment	13.26		3.25%	12.30		59.03%	3.33%
Total Hydraulic Production Plant			3.31%	12.30		53.88%	3.75%
OTHER PRODUCTION							
341.00 Structures and Improvements	27.64		2.86%	26.74		22.51%	2.89%
342.00 Fuel Holders and Accessories	23.38		2.69%	22.44		37.32%	2.76%
343.00 Prime Movers	23.77		2.77%	22.44		34.41%	2.91%
344.00 Generators	24.50		4.08%	24.10		1.77%	4.08%
345.00 Accessory Electric Equipment	25.71		2.77%	24.78		30.26%	2.78%
346.00 Miscellaneous Power Plant Equipment	25.25		2.91%	22.25		26.11%	3.31%
Total Other Production Plant			3.86%	23.95	0.0%	7.07%	3.88%
TRANSMISSION PLANT							
353.00 Station Equipment	48.47	-5.0%	1.61%	49.36	-5.0%	24.61%	1.63%
354.00 Towers and Fixtures	42.89	-10.0%	1.53%	41.89	-10.0%	45.67%	1.54%
355.00 Poles and Fixtures	45.98	-50.0%	2.16%	47.61	-50.0%	45.85%	2.19%
356.00 Overhead Conductors and Devices	43.04	-30.0%	2.03%	43.04	-30.0%	42.10%	2.04%
358.00 Underground Conductors and Devices	7.37	-5.0%	2.54%	10.48	-5.0%	76.42%	2.73%
Total Transmission Plant			1.94%	46.51	-29.4%	38.36%	1.96%
DISTRIBUTION PLANT							
362.00 Station Equipment	27.51	5.0%	2.36%	28.13	5.0%	28.61%	2.36%
364.00 Poles, Towers and Fixtures	47.17	-75.0%	2.63%	47.02	-75.0%	51.11%	2.63%
365.00 Overhead Conductors and Devices	40.73	-100.0%	3.23%	40.45	-100.0%	69.81%	3.22%
367.00 Underground Conductors and Devices	21.35	-5.0%	2.86%	21.27	-5.0%	44.11%	2.86%
368.00 Line Transformers	23.47	50.0%	1.47%	23.90	50.0%	14.57%	1.48%
369.00 Overhead Services	30.58	-150.0%	4.79%	30.41	-150.0%	103.90%	4.80%
369.10 Underground Services	32.34	-20.0%	2.59%	32.10	-20.0%	36.97%	2.59%
370.00 Meters	21.77		2.75%	21.94		39.38%	2.76%
370.10 Load Management Switches	12.12		6.52%	11.16		27.73%	6.48%
370.20 Interruption Monitors	1.67		20.00%				
371.20 Other Private Lighting	16.74	10.0%	3.90%	16.61	10.0%	25.08%	3.91%
373.00 Street Lighting and Signal Systems	10.31	-5.0%	5.29%	10.30	-5.0%	50.45%	5.30%
Total Distribution Plant			2.75%	26.71	-22.9%	41.53%	2.75%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Present and Proposed Accrual Rates

Present: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Present			Proposed			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
GENERAL PLANT							
Depreciable							
390.00 Structures and Improvements	36.34	10.0%	1.89%	37.48	10.0%	20.12%	1.86%
390.10 General Office Buildings	21.84	-5.0%	3.26%	20.89	-5.0%	36.84%	3.26%
390.20 Fleet Service Center Building	17.09	-5.0%	3.62%	16.14	-5.0%	46.89%	3.60%
390.30 Central Stores Building	26.49	-5.0%	2.49%	25.56	-5.0%	42.06%	2.46%
396.00 Power Operated Equipment	16.02	5.0%	4.06%	16.72	5.0%	29.62%	3.91%
397.40 Communication Towers	14.48	5.0%	3.92%	16.10	5.0%	35.60%	3.69%
Total Depreciable			2.39%	29.81	4.7%	27.42%	2.35%
Amortizable							
391.00 Office Furniture	← 15 Year Amortization →			← 15 Year Amortization →			
391.10 Office Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.20 Duplicating Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.50 Computer Systems	← 5 Year Amortization →			← 5 Year Amortization →			
391.60 Computer Related Equipment	← 5 Year Amortization →			← 5 Year Amortization →			
393.00 Stores Equipment	← 0 Year Amortization →			← 0 Year Amortization →			
394.00 Tools, Shop and Garage Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
394.20 Automated Meter Reading Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
395.00 Laboratory Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.00 Communication Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.10 Radio Telecommunication Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
397.20 Microwave Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.30 Radio Load Control Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
Total Amortizable			10.04%	4.85		51.35%	10.04%
Total General Plant			5.03%	12.21	3.1%	35.68%	5.00%
TOTAL UTILITY			2.91%	23.62	-14.0%	39.71%	2.97%
STEAM PRODUCTION							
Big Stone							
311.00 Structures and Improvements	16.14	-8.8%	2.19%	15.18	-8.8%	72.33%	2.40%
312.00 Boiler Plant Equipment	16.15	-8.8%	3.22%	15.19	-8.8%	58.58%	3.31%
314.00 Turbogenerator Units	16.15	-8.8%	4.00%	15.19	-8.8%	46.84%	4.08%
315.00 Accessory Electric Equipment	16.14	-8.8%	2.50%	15.18	-8.8%	69.99%	2.56%
316.00 Miscellaneous Power Plant Equipment	16.15	-8.6%	3.08%	15.19	-8.6%	60.45%	3.17%
Total Big Stone			3.16%	15.19	-8.8%	59.20%	3.27%
Hoot Lake Units 2 and 3							
311.00 Structures and Improvements	11.32	-12.5%	1.43%	10.35	-11.2%	96.16%	1.45%
312.00 Boiler Plant Equipment	11.33	-12.5%	3.56%	10.36	-11.2%	61.38%	4.81%
314.00 Turbogenerator Units	11.33	-12.5%	2.66%	10.35	-11.2%	82.08%	2.81%
315.00 Accessory Electric Equipment	11.32	-12.5%	1.22%	10.35	-11.2%	96.75%	1.40%
316.00 Miscellaneous Power Plant Equipment	11.33	-12.4%	4.83%	10.36	-11.1%	58.84%	5.04%
Total Hoot Lake Units 2 and 3			3.07%	10.36	-11.2%	70.81%	3.90%
Coyote							
311.00 Structures and Improvements	20.88	-5.0%	2.00%	19.94	-5.0%	65.44%	1.98%
312.00 Boiler Plant Equipment	20.89	-5.0%	2.22%	19.94	-5.0%	60.58%	2.23%
314.00 Turbogenerator Units	20.89	-5.0%	2.39%	19.95	-5.0%	57.02%	2.41%
315.00 Accessory Electric Equipment	20.88	-5.0%	1.95%	19.94	-5.0%	66.05%	1.95%
316.00 Miscellaneous Power Plant Equipment	20.90	-4.7%	2.80%	19.96	-4.7%	47.36%	2.87%
Total Coyote			2.19%	19.94	-5.0%	61.34%	2.19%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Present and Proposed Accrual Rates

Present: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Present			Proposed			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
HYDRAULIC PRODUCTION							
Hoot Lake							
331.00 Structures and Improvements	13.24		0.24%	12.28		96.95%	0.25%
332.00 Reservoirs, Dams and Waterways	13.24		0.17%	12.28		97.79%	0.18%
333.00 Water Wheels, Turbines & Generators	13.26		1.62%	12.29		80.32%	1.60%
334.00 Accessory Electric Equipment	13.26		2.24%	12.30		72.86%	2.21%
335.00 Miscellaneous Power Plant Equipment							
Total Hoot Lake			0.67%	12.29		91.78%	0.67%
Wright							
331.00 Structures and Improvements	13.26		2.93%	12.29		61.35%	3.14%
332.00 Reservoirs, Dams and Waterways	13.25		1.72%	12.30		41.07%	4.79%
333.00 Water Wheels, Turbines & Generators	13.27		5.18%	12.30		35.04%	5.28%
334.00 Accessory Electric Equipment	13.27		5.81%	12.30		27.71%	5.88%
335.00 Miscellaneous Power Plant Equipment	13.26		2.76%	12.29		63.26%	2.99%
Total Wright			3.64%	12.30		38.43%	5.01%
Pisgah							
331.00 Structures and Improvements	13.26		2.54%	12.29		68.32%	2.58%
332.00 Reservoirs, Dams and Waterways	13.25		1.86%	12.28		76.63%	1.90%
333.00 Water Wheels, Turbines & Generators	13.27		7.30%	12.30		10.34%	7.29%
334.00 Accessory Electric Equipment	13.27		5.55%	12.30		31.60%	5.56%
335.00 Miscellaneous Power Plant Equipment	13.26		3.36%	12.30		58.28%	3.39%
Total Pisgah			5.04%	12.30		37.83%	5.05%
Dayton Hollow							
331.00 Structures and Improvements	13.25		1.72%	12.29		78.40%	1.76%
332.00 Reservoirs, Dams and Waterways	13.26		2.53%	12.29		68.61%	2.55%
333.00 Water Wheels, Turbines & Generators	13.27		6.46%	12.30		20.79%	6.44%
334.00 Accessory Electric Equipment	13.27		4.19%	12.30		48.40%	4.20%
335.00 Miscellaneous Power Plant Equipment	13.26		3.18%	12.30		60.61%	3.20%
Total Dayton Hollow			3.82%	12.30		52.90%	3.83%
Taplin Gorge							
331.00 Structures and Improvements	13.23		0.58%	12.27		92.58%	0.60%
332.00 Reservoirs, Dams and Waterways	13.25		1.82%	12.29		77.60%	1.82%
333.00 Water Wheels, Turbines & Generators	13.22		0.44%	12.26		94.32%	0.46%
334.00 Accessory Electric Equipment	13.25		1.57%	12.29		80.59%	1.58%
335.00 Miscellaneous Power Plant Equipment	13.27		3.65%	12.30		55.35%	3.63%
Total Taplin Gorge			1.92%	12.29		76.40%	1.92%
Bemidji							
331.00 Structures and Improvements	13.27		5.03%	12.30		20.45%	6.47%
332.00 Reservoirs, Dams and Waterways	13.26		2.97%	12.29		62.48%	3.05%
333.00 Water Wheels, Turbines & Generators	13.27		4.74%	12.30		34.20%	5.35%
334.00 Accessory Electric Equipment	13.23		1.84%	12.27		76.31%	1.93%
335.00 Miscellaneous Power Plant Equipment	13.25		2.54%	12.28		67.75%	2.63%
Total Bemidji			4.18%	12.30		41.72%	4.74%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Present and Proposed Accrual Rates

Present: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Present			Proposed			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
OTHER PRODUCTION							
Jamestown							
341.00 Structures and Improvements	11.33	-0.6%	2.68%	10.35	-0.6%	68.58%	3.10%
342.00 Fuel Holders and Accessories	11.32	-0.6%	2.44%	10.35	-0.6%	71.09%	2.85%
343.00 Prime Movers	11.32	-0.6%	2.50%	10.35	-0.6%	68.30%	3.12%
344.00 Generators							
345.00 Accessory Electric Equipment	11.33	-0.6%	2.91%	10.36	-0.6%	68.59%	3.09%
346.00 Miscellaneous Power Plant Equipment	11.33	-0.6%	2.67%	10.36	-0.6%	52.82%	4.61%
Total Jamestown			2.51%	10.35	-0.6%	68.21%	3.13%
Jamestown Unit 1							
341.00 Structures and Improvements	11.33	-0.6%	2.56%	10.35	-0.6%	69.59%	3.00%
342.00 Fuel Holders and Accessories	11.32	-0.6%	2.27%	10.35	-0.6%	72.33%	2.73%
343.00 Prime Movers	11.32	-0.6%	2.21%	10.36	-0.6%	63.03%	3.63%
344.00 Generators							
345.00 Accessory Electric Equipment	11.32	-0.6%	1.76%	10.35	-0.6%	77.28%	2.25%
346.00 Miscellaneous Power Plant Equipment	11.33	-0.6%	2.64%	10.36	-0.6%	44.52%	5.41%
Total Jamestown Unit 1			2.24%	10.36	-0.6%	63.79%	3.56%
Jamestown Unit 2							
341.00 Structures and Improvements	11.33	-0.6%	4.66%	10.36	-0.6%	52.38%	4.65%
342.00 Fuel Holders and Accessories	11.32	-0.6%	3.40%	10.35	-0.6%	64.20%	3.52%
343.00 Prime Movers	11.32	-0.6%	2.72%	10.35	-0.6%	72.28%	2.74%
344.00 Generators							
345.00 Accessory Electric Equipment	11.33	-0.6%	3.55%	10.36	-0.6%	63.72%	3.56%
346.00 Miscellaneous Power Plant Equipment	11.33	-0.6%	2.73%	10.35	-0.6%	72.18%	2.75%
Total Jamestown Unit 2			2.74%	10.35	-0.6%	72.05%	2.76%
Lake Preston							
341.00 Structures and Improvements	11.32	-0.9%	2.06%	10.35	-0.9%	79.39%	2.08%
342.00 Fuel Holders and Accessories	11.32	-0.9%	2.07%	10.35	-0.9%	79.28%	2.09%
343.00 Prime Movers	11.32	-0.9%	2.38%	10.35	-0.9%	76.14%	2.39%
344.00 Generators							
345.00 Accessory Electric Equipment	11.32	-0.9%	2.10%	10.35	-0.9%	78.97%	2.12%
346.00 Miscellaneous Power Plant Equipment	11.32	-0.9%	2.40%	10.35	-0.9%	79.15%	2.10%
Total Lake Preston			2.32%	10.35	-0.9%	76.76%	2.33%
Ashtabula Wind Generation							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	24.50		4.08%	24.50		0.33%	4.07%
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Ashtabula Wind Generation			4.08%	24.50		0.33%	4.07%
Langdon Wind Generation							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	24.50		4.08%	23.50		3.91%	4.09%
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Langdon Wind Generation			4.08%	23.50		3.91%	4.09%

OTTER TAIL POWER COMPANY

Statement A

Comparison of Present and Proposed Accrual Rates

Present: VG Procedure / RL Technique

Proposed: VG Procedure / RL Technique

Account Description A	Present			Proposed			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
Solway Combustion Turbine							
341.00 Structures and Improvements	29.32	-0.1%	2.91%	28.40	-0.1%	17.21%	2.92%
342.00 Fuel Holders and Accessories	29.33	-0.1%	2.94%	28.40	-0.1%	16.57%	2.94%
343.00 Prime Movers	29.32	-0.1%	2.91%	28.40	-0.1%	17.33%	2.91%
344.00 Generators							
345.00 Accessory Electric Equipment	29.32	-0.1%	2.91%	28.40	-0.1%	17.41%	2.91%
346.00 Miscellaneous Power Plant Equipment	29.33	-0.1%	3.02%	28.40	-0.1%	14.53%	3.01%
Total Solway Combustion Turbine			2.91%	28.40	-0.1%	17.25%	2.91%
Fergus Falls Control Center							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	21.85		3.04%	20.90		36.46%	3.04%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
Total Fergus Falls Control Center			3.04%	20.90		36.46%	3.04%

Statement B

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	Minnesota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C/D	F	G=C/F	H=F/D	I=G/E
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 59,834,345	0.52329196	\$ 1,207,104	\$ 631,667	\$ 1,249,368	\$ 653,785	\$ 42,264	\$ 22,118
312.00 Boiler Plant Equipment	191,737,052	0.52329196	5,413,144	2,832,655	5,894,508	3,084,548	481,364	251,893
314.00 Turbogenerator Units	56,901,025	0.52329196	1,840,077	962,898	1,882,080	984,877	42,003	21,979
315.00 Accessory Electric Equipment	19,089,953	0.52329196	403,654	211,229	412,475	215,845	8,821	4,616
316.00 Miscellaneous Power Plant Equipment	5,256,089	0.52329196	171,955	89,982	177,362	92,812	5,407	2,830
Total Steam Production Plant	\$ 332,818,464		\$ 9,035,934	\$ 4,728,431	\$ 9,615,793	\$ 5,031,867	\$ 579,859	\$ 303,436
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 241,332	0.52329196	\$ 6,549	\$ 3,427	\$ 8,129	\$ 4,254	\$ 1,580	\$ 827
332.00 Reservoirs, Dams and Waterways	1,613,169	0.52329196	29,682	15,533	40,961	21,434	11,279	5,901
333.00 Water Wheels, Turbines & Generators	976,500	0.52329196	49,844	26,083	52,033	27,228	2,189	1,145
334.00 Accessory Electric Equipment	478,135	0.52329196	23,439	12,265	23,588	12,343	149	78
335.00 Miscellaneous Power Plant Equipment	147,893	0.52329196	4,805	2,515	4,928	2,579	123	64
Total Hydraulic Production Plant	\$ 3,457,029		\$ 114,319	\$ 59,823	\$ 129,639	\$ 67,838	\$ 15,320	\$ 8,015
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 4,643,477	0.52329196	\$ 132,923	\$ 69,557	\$ 134,391	\$ 70,326	\$ 1,468	\$ 769
342.00 Fuel Holders and Accessories	1,547,234	0.52329196	41,658	21,799	42,707	22,348	1,049	549
343.00 Prime Movers	31,462,188	0.52329196	872,207	456,419	914,140	478,362	41,933	21,943
344.00 Generators	193,123,849	0.50254328	7,879,453	3,959,766	7,875,700	3,957,880	(3,753)	(1,886)
345.00 Accessory Electric Equipment	1,594,133	0.52329196	44,106	23,080	44,274	23,168	168	88
346.00 Miscellaneous Power Plant Equipment	418,487	0.52329196	12,187	6,378	13,843	7,244	1,656	866
Total Other Production Plant	\$ 232,789,368		\$ 8,982,534	\$ 4,536,999	\$ 9,025,055	\$ 4,559,328	\$ 42,521	\$ 22,329
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 62,569,456	0.49504849	\$ 1,007,368	\$ 498,696	\$ 1,019,882	\$ 504,891	\$ 12,514	\$ 6,195
354.00 Towers and Fixtures	4,692,263	0.49504849	71,792	35,541	72,261	35,773	469	232
355.00 Poles and Fixtures	76,420,962	0.49504849	1,650,693	817,173	1,673,619	828,523	22,926	11,350
356.00 Overhead Conductors and Devices	66,885,955	0.49504849	1,357,785	672,169	1,364,473	675,480	6,688	3,311
358.00 Underground Conductors and Devices	80,637	0.49504849	2,048	1,014	2,201	1,090	153	76
Total Transmission Plant	\$ 210,649,273		\$ 4,089,686	\$ 2,024,593	\$ 4,132,436	\$ 2,045,757	\$ 42,750	\$ 21,164
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 50,069,966	0.44647437	\$ 1,181,651	\$ 527,577	\$ 1,181,651	\$ 527,577	\$ -	\$ -
364.00 Poles, Towers and Fixtures	56,188,171	0.44647437	1,477,749	659,777	1,477,749	659,777	-	-
365.00 Overhead Conductors and Devices	43,138,262	0.44647437	1,393,366	622,102	1,389,052	620,176	(4,314)	(1,926)
367.00 Underground Conductors and Devices	54,263,034	0.44647437	1,551,923	692,894	1,551,923	692,894	-	-
368.00 Line Transformers	59,178,212	0.44647437	869,920	388,397	875,538	391,039	5,918	2,642

Statement B

OTTER TAIL POWER COMPANY
 Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	Minnesota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
369.00 Overhead Services	10,994,657	0.44647437	526,644	235,133	527,744	235,624	1,100	491
369.10 Underground Services	29,190,374	0.44647437	756,031	337,548	756,031	337,548		
370.00 Meters	20,230,066	0.44647437	556,327	248,386	558,350	249,289	2,023	903
370.10 Load Management Switches	8,715,478	0.44647437	568,249	253,709	564,763	252,152	(3,486)	(1,557)
370.20 Interruption Monitors	624,778	0.44647437	124,956	55,790	124,956	55,790		
371.20 Other Private Lighting	3,775,524	0.44647437	147,245	65,741	147,523	65,910	378	169
373.00 Street Lighting and Signal Systems	4,341,586	0.44647437	229,670	102,542	230,104	102,736	434	194
Total Distribution Plant	\$ 340,710,108		\$ 9,383,731	\$ 4,189,596	\$ 9,385,784	\$ 4,190,512	\$ 2,053	\$ 916
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 18,993,143	0.48803157	\$ 358,970	\$ 175,189	\$ 353,272	\$ 172,408	\$ (5,698)	\$ (2,781)
390.10 General Office Buildings	5,620,459	0.48803157	183,227	89,421	183,227	89,421		
390.20 Fleet Service Center Building	789,744	0.48803157	28,589	13,952	28,431	13,875	(158)	(77)
390.30 Central Stores Building	3,888,940	0.48803157	96,835	47,259	95,668	46,689	(1,167)	(570)
396.00 Power Operated Equipment	553,467	0.48803157	22,471	10,967	21,641	10,561	(830)	(406)
397.40 Communication Towers	1,486,753	0.48803157	58,281	28,443	54,861	26,774	(3,420)	(1,669)
Total Depreciable	\$ 31,332,506		\$ 748,373	\$ 365,231	\$ 737,100	\$ 359,728	\$ (11,273)	\$ (5,503)
Amortizable								
391.00 Office Furniture	\$ 2,374,099	0.48803157	\$ 158,352	\$ 77,281	\$ 158,352	\$ 77,281	\$ -	\$ -
391.10 Office Equipment	1,000,587	0.48803157	100,059	48,832	99,959	48,783	(100)	(49)
391.20 Duplicating Equipment	1,160,255	0.48803157	116,026	56,624	116,026	56,624		
391.50 Computer Systems	1,527,333	0.48803157	305,487	149,078	305,008	148,854	(459)	(224)
391.60 Computer Related Equipment	1,836,284	0.48803157	367,257	179,233	367,808	179,502	551	269
393.00 Stores Equipment		0.48803157						
394.00 Tools, Shop and Garage Equipment	2,959,034	0.48803157	197,368	96,322	197,368	96,322		
394.20 Automated Meter Reading Equipment	1,093,497	0.48803157	72,936	35,595	72,936	35,595		
395.00 Laboratory Equipment	249,168	0.48803157	16,520	8,111	16,595	8,099	(25)	(12)
397.00 Communication Equipment	604,294	0.48803157	40,306	19,671	40,246	19,641	(60)	(30)
397.10 Radio Telecommunication Equipment	928,325	0.48803157	92,833	45,305	92,833	45,305		
397.20 Microwave Equipment	2,643,655	0.48803157	176,332	86,056	176,332	86,056		
397.30 Radio Load Control Equipment	135,027	0.48803157	13,503	6,590	13,516	6,596	13	6
Total Amortizable	\$ 16,511,558		\$ 1,657,059	\$ 808,698	\$ 1,656,979	\$ 808,656	\$ (80)	\$ (40)
Total General Plant	\$ 47,844,064		\$ 2,405,432	\$ 1,173,929	\$ 2,394,079	\$ 1,168,386	\$ (11,353)	\$ (5,543)
TOTAL UTILITY	\$ 1,166,268,306		\$ 34,011,636	\$ 16,713,371	\$ 34,682,786	\$ 17,063,688	\$ 671,150	\$ 350,317

Statement B

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	Minnesota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C*D	F	G=C*F	H=F*D	I=G-E
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	\$ 22,586,948	0.52329196	\$ 494,654	\$ 258,848	\$ 542,087	\$ 283,670	\$ 47,433	\$ 24,822
312.00 Boiler Plant Equipment	71,930,135	0.52329196	2,316,150	1,212,023	2,380,887	1,245,899	64,737	33,876
314.00 Turbogenerator Units	28,042,459	0.52329196	1,121,698	586,976	1,144,132	598,715	22,434	11,739
315.00 Accessory Electric Equipment	8,467,399	0.52329196	211,685	110,773	216,765	113,431	5,080	2,658
316.00 Miscellaneous Power Plant Equipment	2,616,330	0.52329196	80,583	42,168	82,938	43,401	2,355	1,233
Total Big Stone	\$ 133,643,271		\$ 4,224,770	\$ 2,210,788	\$ 4,366,809	\$ 2,285,116	\$ 142,039	\$ 74,328
Hoot Lake Units 2 and 3								
311.00 Structures and Improvements	\$ 5,701,405	0.52329196	\$ 81,530	\$ 42,664	\$ 82,670	\$ 43,261	\$ 1,140	\$ 597
312.00 Boiler Plant Equipment	32,632,828	0.52329196	1,161,729	607,923	1,569,639	821,379	407,910	213,456
314.00 Turbogenerator Units	10,614,231	0.52329196	282,339	147,746	298,260	156,077	15,921	8,331
315.00 Accessory Electric Equipment	2,078,256	0.52329196	25,355	13,268	29,096	15,226	3,741	1,958
316.00 Miscellaneous Power Plant Equipment	860,019	0.52329196	41,539	21,737	43,345	22,682	1,806	945
Total Hoot Lake Units 2 and 3	\$ 51,886,739		\$ 1,592,492	\$ 833,338	\$ 2,023,010	\$ 1,058,625	\$ 430,518	\$ 225,287
Coyote								
311.00 Structures and Improvements	\$ 31,545,992	0.52329196	\$ 630,920	\$ 330,155	\$ 624,611	\$ 326,854	\$ (6,309)	\$ (3,301)
312.00 Boiler Plant Equipment	87,174,089	0.52329196	1,935,265	1,012,709	1,943,982	1,017,270	8,717	4,561
314.00 Turbogenerator Units	18,244,335	0.52329196	436,040	228,176	439,688	230,085	3,648	1,909
315.00 Accessory Electric Equipment	8,544,298	0.52329196	166,614	87,188	166,614	87,188		
316.00 Miscellaneous Power Plant Equipment	1,779,740	0.52329196	49,833	26,077	51,079	26,729	1,246	652
Total Coyote	\$ 147,288,454		\$ 3,218,672	\$ 1,684,305	\$ 3,225,974	\$ 1,688,126	\$ 7,302	\$ 3,821
HYDRAULIC PRODUCTION								
Hoot Lake								
331.00 Structures and Improvements	\$ 69,354	0.52329196	\$ 166	\$ 87	\$ 173	\$ 91	\$ 7	\$ 4
332.00 Reservoirs, Dams and Waterways	247,942	0.52329196	422	221	446	233	24	12
333.00 Water Wheels, Turbines & Generators	104,195	0.52329196	1,688	883	1,667	872	(21)	(11)
334.00 Accessory Electric Equipment	34,650	0.52329196	776	406	766	401	(10)	(5)
335.00 Miscellaneous Power Plant Equipment								
Total Hoot Lake	\$ 456,141		\$ 3,052	\$ 1,597	\$ 3,052	\$ 1,597	\$ -	\$ -
Wright								
331.00 Structures and Improvements	\$ 19,026	0.52329196	\$ 557	\$ 291	\$ 597	\$ 312	\$ 40	\$ 21
332.00 Reservoirs, Dams and Waterways	357,504	0.52329196	6,149	3,218	17,124	8,961	10,975	5,743
333.00 Water Wheels, Turbines & Generators	228,711	0.52329196	11,847	6,199	12,076	6,319	229	120
334.00 Accessory Electric Equipment	183,074	0.52329196	10,637	5,566	10,765	5,633	128	67
335.00 Miscellaneous Power Plant Equipment	54,714	0.52329196	1,510	790	1,636	856	126	66
Total Wright	\$ 843,029		\$ 30,700	\$ 16,064	\$ 42,198	\$ 22,081	\$ 11,498	\$ 6,017

Statement B

OTTER TAIL POWER COMPANY
 Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	Minnesota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
Pisgah								
331.00 Structures and Improvements	\$ 12,117	0.52329196	\$ 308	\$ 161	\$ 313	\$ 164	\$ 5	\$ 3
332.00 Reservoirs, Dams and Waterways	110,070	0.52329196	2,047	1,071	2,091	1,094	44	23
333.00 Water Wheels, Turbines & Generators	159,731	0.52329196	11,660	6,102	11,644	6,093	(16)	(9)
334.00 Accessory Electric Equipment	111,258	0.52329196	6,175	3,231	6,186	3,237	11	6
335.00 Miscellaneous Power Plant Equipment	21,820	0.52329196	733	384	740	387	7	3
Total Pisgah	\$ 414,996		\$ 20,923	\$ 10,949	\$ 20,974	\$ 10,975	\$ 51	\$ 26
Dayton Hollow								
331.00 Structures and Improvements	\$ 66	0.52329196	\$ 1	\$ 1	\$ 1	\$ 1	\$ -	\$ -
332.00 Reservoirs, Dams and Waterways	314,907	0.52329196	7,967	4,169	8,030	4,202	63	33
333.00 Water Wheels, Turbines & Generators	137,413	0.52329196	8,877	4,645	8,849	4,631	(28)	(14)
334.00 Accessory Electric Equipment	133,223	0.52329196	5,582	2,921	5,595	2,928	13	7
335.00 Miscellaneous Power Plant Equipment	8,354	0.52329196	266	139	267	140	1	1
Total Dayton Hollow	\$ 593,963		\$ 22,693	\$ 11,875	\$ 22,742	\$ 11,902	\$ 49	\$ 27
Taplin Gorge								
331.00 Structures and Improvements	\$ 35,140	0.52329196	\$ 204	\$ 107	\$ 211	\$ 110	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	366,191	0.52329196	6,665	3,488	6,665	3,488		
333.00 Water Wheels, Turbines & Generators	15,110	0.52329196	66	35	70	37	4	2
334.00 Accessory Electric Equipment	9,090	0.52329196	143	75	144	75	1	1
335.00 Miscellaneous Power Plant Equipment	62,717	0.52329196	2,289	1,198	2,277	1,192	(12)	(6)
Total Taplin Gorge	\$ 488,248		\$ 9,367	\$ 4,903	\$ 9,367	\$ 4,902	\$ -	\$ (1)
Bemidji								
331.00 Structures and Improvements	\$ 105,629	0.52329196	\$ 5,313	\$ 2,780	\$ 6,534	\$ 3,576	\$ 1,521	\$ 796
332.00 Reservoirs, Dams and Waterways	216,555	0.52329196	6,432	3,366	6,505	3,456	173	90
333.00 Water Wheels, Turbines & Generators	331,340	0.52329196	15,706	8,219	17,727	9,276	2,021	1,057
334.00 Accessory Electric Equipment	6,840	0.52329196	126	66	132	69	6	3
335.00 Miscellaneous Power Plant Equipment	288	0.52329196	7	4	8	4	1	
Total Bemidji	\$ 660,652		\$ 27,584	\$ 14,435	\$ 31,306	\$ 16,381	\$ 3,722	\$ 1,946
OTHER PRODUCTION								
Jamestown								
341.00 Structures and Improvements	\$ 244,252	0.52329196	\$ 6,555	\$ 3,430	\$ 7,565	\$ 3,959	\$ 1,010	\$ 529
342.00 Fuel Holders and Accessories	241,933	0.52329196	5,907	3,091	6,995	3,608	988	517
343.00 Prime Movers	6,674,855	0.52329196	166,882	87,328	208,499	109,106	41,617	21,778
344.00 Generators								
345.00 Accessory Electric Equipment	61,439	0.52329196	1,786	935	1,898	993	112	58
346.00 Miscellaneous Power Plant Equipment	90,068	0.52329196	2,402	1,257	4,154	2,173	1,752	916
Total Jamestown	\$ 7,312,547		\$ 183,532	\$ 96,041	\$ 229,011	\$ 119,839	\$ 45,479	\$ 23,798

Statement B

OTTER TAIL POWER COMPANY
 Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	Minnesota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
Jamestown Unit 1								
341.00 Structures and Improvements	\$ 229,859	0.52329196	\$ 5,884	\$ 3,079	\$ 6,896	\$ 3,609	\$ 1,012	\$ 530
342.00 Fuel Holders and Accessories	205,164	0.52329196	4,657	2,437	5,601	2,931	944	494
343.00 Prime Movers	2,877,314	0.52329196	63,589	33,276	104,446	54,656	40,857	21,380
344.00 Generators								
345.00 Accessory Electric Equipment	22,080	0.52329196	389	204	497	260	108	56
346.00 Miscellaneous Power Plant Equipment	63,026	0.52329196	1,664	871	3,410	1,784	1,746	913
Total Jamestown Unit 1	\$ 3,397,443		\$ 76,183	\$ 39,867	\$ 120,850	\$ 63,240	\$ 44,667	\$ 23,373
Jamestown Unit 2								
341.00 Structures and Improvements	\$ 14,393	0.52329196	\$ 671	\$ 351	\$ 669	\$ 350	\$ (2)	\$ (1)
342.00 Fuel Holders and Accessories	36,769	0.52329196	1,250	654	1,294	677	44	23
343.00 Prime Movers	3,797,541	0.52329196	103,293	54,052	104,053	54,450	760	398
344.00 Generators								
345.00 Accessory Electric Equipment	39,359	0.52329196	1,397	731	1,401	733	4	2
346.00 Miscellaneous Power Plant Equipment	27,042	0.52329196	738	386	744	389	6	3
Total Jamestown Unit 2	\$ 3,915,104		\$ 107,349	\$ 56,174	\$ 108,161	\$ 56,599	\$ 812	\$ 425
Lake Preston								
341.00 Structures and Improvements	\$ 194,154	0.52329196	\$ 4,000	\$ 2,093	\$ 4,038	\$ 2,113	\$ 38	\$ 20
342.00 Fuel Holders and Accessories	301,705	0.52329196	6,245	3,268	6,306	3,300	61	32
343.00 Prime Movers	3,161,513	0.52329196	75,244	39,375	75,560	39,540	316	165
344.00 Generators								
345.00 Accessory Electric Equipment	281,647	0.52329196	5,915	3,095	5,971	3,125	56	30
346.00 Miscellaneous Power Plant Equipment	21,607	0.52329196	519	272	454	238	(65)	(34)
Total Lake Preston	\$ 3,960,626		\$ 91,923	\$ 48,103	\$ 92,329	\$ 48,316	\$ 406	\$ 213
Ashtabula Wind Generation								
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	115,325,925	0.50254328	4,705,298	2,364,616	4,693,765	2,358,820	(11,533)	(5,796)
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Ashtabula Wind Generation	\$ 115,325,925		\$ 4,705,298	\$ 2,364,616	\$ 4,693,765	\$ 2,358,820	\$ (11,533)	\$ (5,796)

Statement B

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description A	12/31/08 Plant Investment B	Minnesota Allocation Factor C	Present Annual Accrual E=C*D		Proposed Annual Accrual G=C*F		Difference I=G-E	
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E
Langdon Wind Generation								
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	77,797,924	0.50254328	3,174,155	1,595,150	3,181,935	1,599,060	7,780	3,910
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Langdon Wind Generation	\$ 77,797,924		\$ 3,174,155	\$ 1,595,150	\$ 3,181,935	\$ 1,599,060	\$ 7,780	\$ 3,910
Solway Combustion Turbine								
341.00 Structures and Improvements	\$ 4,205,071	0.52329196	\$ 122,368	\$ 64,034	\$ 122,788	\$ 64,254	\$ 420	\$ 220
342.00 Fuel Holders and Accessories	1,003,596	0.52329196	29,506	15,440	29,506	15,440		
343.00 Prime Movers	21,034,183	0.52329196	612,095	320,304	612,095	320,304		
344.00 Generators								
345.00 Accessory Electric Equipment	1,251,047	0.52329196	36,405	19,050	36,405	19,050		
346.00 Miscellaneous Power Plant Equipment	306,812	0.52329196	9,266	4,849	9,235	4,833	(31)	(16)
Total Solway Combustion Turbine	\$ 27,800,709		\$ 809,640	\$ 423,677	\$ 810,029	\$ 423,881	\$ 389	\$ 204
Fergus Falls Control Center								
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	591,637	0.52329196	17,986	9,412	17,986	9,412		
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Fergus Falls Control Center	\$ 591,637		\$ 17,986	\$ 9,412	\$ 17,986	\$ 9,412	\$ -	\$ -

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2008

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 59,834,345	\$ 43,581,227	\$ 43,581,227	72.84%	\$ 38,083,616	63.65%	\$ 42,463,550	70.97%
312.00 Boiler Plant Equipment	191,737,052	113,781,668	113,781,668	59.34%	103,022,185	53.73%	114,975,954	59.97%
314.00 Turbogenerator Units	56,901,025	31,848,062	31,848,062	55.97%	28,921,323	50.83%	32,250,159	56.68%
315.00 Accessory Electric Equipment	19,089,953	13,986,932	13,986,932	73.27%	12,199,745	63.91%	13,579,893	71.14%
316.00 Miscellaneous Power Plant Equipment	5,256,089	3,002,069	3,002,069	57.12%	2,641,667	50.26%	2,930,400	55.75%
Total Steam Production Plant	\$ 332,818,454	\$206,199,957	\$206,199,957	61.96%	\$184,868,536	55.55%	\$206,199,957	61.96%
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 241,332	\$ 139,207	\$ 139,207	57.68%	\$ 126,935	52.60%	\$ 141,371	58.58%
332.00 Reservoirs, Dams and Waterways	1,613,169	1,118,898	1,118,898	69.36%	1,029,621	63.83%	1,109,192	68.76%
333.00 Water Wheels, Turbines & Generators	976,500	324,245	324,245	33.20%	324,398	33.22%	336,481	34.46%
334.00 Accessory Electric Equipment	478,135	192,043	192,043	40.17%	177,882	37.20%	188,150	39.35%
335.00 Miscellaneous Power Plant Equipment	147,893	88,105	88,105	59.57%	82,384	55.70%	87,303	59.03%
Total Hydraulic Production Plant	\$ 3,457,029	\$ 1,862,498	\$ 1,862,498	53.88%	\$ 1,741,219	50.37%	\$ 1,862,498	53.88%
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 4,643,477	\$ 1,059,907	\$ 1,059,907	22.83%	\$ 942,877	20.31%	\$ 1,045,334	22.51%
342.00 Fuel Holders and Accessories	1,547,234	590,023	590,023	38.13%	537,648	34.75%	577,463	37.32%
343.00 Prime Movers	31,462,188	10,793,258	10,793,258	34.31%	10,080,062	32.04%	10,825,923	34.41%
344.00 Generators	193,123,849	3,414,808	3,414,808	1.77%	6,974,394	3.61%	3,414,808	1.77%
345.00 Accessory Electric Equipment	1,594,133	487,163	487,163	30.56%	439,470	27.57%	482,408	30.26%
346.00 Miscellaneous Power Plant Equipment	418,487	110,028	110,028	26.29%	101,313	24.21%	109,250	26.11%
Total Other Production Plant	\$ 232,789,368	\$ 16,455,186	\$ 16,455,186	7.07%	\$ 19,075,764	8.19%	\$ 16,455,186	7.07%
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 62,569,456	\$ 22,102,633	\$ 22,102,633	35.32%	\$ 14,894,377	23.80%	\$ 15,400,844	24.61%
354.00 Towers and Fixtures	4,692,263	2,615,236	2,615,236	55.74%	2,072,707	44.17%	2,143,187	45.67%
355.00 Poles and Fixtures	76,420,962	31,628,604	31,628,604	41.39%	33,889,741	44.35%	35,042,126	45.85%
356.00 Overhead Conductors and Devices	66,885,955	24,406,746	24,406,746	36.49%	27,234,326	40.72%	28,160,400	42.10%
358.00 Underground Conductors and Devices	80,637	54,958	54,958	68.15%	59,595	73.91%	61,621	76.42%
Total Transmission Plant	\$ 210,649,273	\$ 80,808,178	\$ 80,808,178	38.36%	\$ 78,150,745	37.10%	\$ 80,808,178	38.36%

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary

Vintage Group Procedure

December 31, 2008

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 50,069,966		\$ 15,547,607	31.05%	\$ 13,355,044	26.67%	\$ 14,326,058	28.61%
364.00 Poles, Towers and Fixtures	56,188,171		25,718,447	45.77%	26,770,085	47.64%	28,716,475	51.11%
365.00 Overhead Conductors and Devices	43,138,262		19,547,305	45.31%	28,073,004	65.08%	30,114,126	69.81%
367.00 Underground Conductors and Devices	54,263,034		22,546,379	41.55%	22,311,327	41.12%	23,933,531	44.11%
368.00 Line Transformers	59,178,212		24,337,850	41.13%	8,036,166	13.58%	8,620,457	14.57%
369.00 Overhead Services	10,994,657		9,145,125	83.18%	10,649,619	96.86%	11,423,928	103.90%
369.10 Underground Services	29,190,374		12,786,655	43.80%	10,059,507	34.46%	10,790,910	36.97%
370.00 Meters	20,230,066		6,787,166	33.55%	7,426,029	36.71%	7,965,958	39.38%
370.10 Load Management Switches	8,715,478		1,691,514	19.41%	2,252,705	25.85%	2,416,494	27.73%
370.20 Interruption Monitors	624,778		(306,351)	-49.03%	62,477	10.00%	62,477	10.00%
371.20 Other Private Lighting	3,775,524		1,285,210	34.04%	882,791	23.38%	946,977	25.08%
373.00 Street Lighting and Signal Systems	4,341,586		2,420,834	55.76%	2,041,891	47.03%	2,190,352	50.45%
Total Distribution Plant	\$ 340,710,108		\$ 141,507,742	41.53%	\$ 131,920,646	38.72%	\$ 141,507,742	41.53%
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 18,993,143		\$ 3,621,358	19.07%	\$ 4,807,653	25.31%	\$ 3,821,596	20.12%
390.10 General Office Buildings	5,620,459		2,340,506	41.64%	2,604,632	46.34%	2,070,418	36.84%
390.20 Fleet Service Center Building	789,744		363,938	46.08%	465,849	58.99%	370,303	46.89%
390.30 Central Stores Building	3,888,940		1,502,807	38.64%	2,057,938	52.92%	1,635,852	42.06%
396.00 Power Operated Equipment	553,467		240,106	43.38%	206,240	37.26%	163,940	29.62%
397.40 Communication Towers	1,486,753		606,327	40.78%	665,925	44.79%	529,343	35.60%
Total Depreciable	\$ 31,332,506		\$ 8,675,043	27.69%	\$ 10,808,238	34.50%	\$ 8,591,451	27.42%
Amortizable								
391.00 Office Furniture	\$ 2,374,099		\$ 1,492,788	62.88%	\$ 1,484,129	62.51%	\$ 1,484,129	62.51%
391.10 Office Equipment	1,000,567		457,483	45.72%	464,631	46.44%	464,631	46.44%
391.20 Duplicating Equipment	1,160,255		681,187	58.71%	681,087	58.70%	681,087	58.70%
391.50 Computer Systems	1,527,333		703,710	46.07%	737,611	48.29%	737,611	48.29%
391.60 Computer Related Equipment	1,836,284		1,090,660	59.39%	1,126,472	61.35%	1,126,472	61.35%
393.00 Stores Equipment	(740)		(740)					
394.00 Tools, Shop and Garage Equipment	2,959,034		1,399,352	47.29%	1,401,818	47.37%	1,401,818	47.37%
394.20 Automated Meter Reading Equipment	1,093,497		472,312	43.19%	478,861	43.79%	478,861	43.79%

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2008

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
395.00 Laboratory Equipment		249,168	229,312	92.03%	226,103	90.74%	226,103	90.74%
397.00 Communication Equipment		604,294	313,679	51.91%	315,971	52.29%	315,971	52.29%
397.10 Radio Telecommunication Equipment		928,325	460,481	49.60%	463,126	49.89%	463,126	49.89%
397.20 Microwave Equipment		2,643,655	1,026,608	38.83%	1,030,614	38.98%	1,030,614	38.98%
397.30 Radio Load Control Equipment		135,027	68,689	50.87%	68,688	50.87%	68,688	50.87%
Total Amortizable		\$ 16,511,558	\$ 8,395,519	50.85%	\$ 8,479,111	51.35%	\$ 8,479,111	51.35%
Total General Plant		\$ 47,844,064	\$ 17,070,562	35.68%	\$ 19,287,349	40.31%	\$ 17,070,562	35.68%
TOTAL UTILITY		\$ 1,168,268,306	\$ 463,904,124	39.71%	\$ 435,044,260	37.24%	\$ 463,904,124	39.71%
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements		\$ 22,586,948	\$ 17,383,907	76.96%	\$ 14,978,833	66.32%	\$ 16,337,235	72.33%
312.00 Boiler Plant Equipment		71,930,135	41,082,696	57.11%	38,632,066	53.71%	42,135,534	58.58%
314.00 Turbogenerator Units		28,042,459	12,647,785	45.10%	12,042,280	42.94%	13,134,371	46.84%
315.00 Accessory Electric Equipment		8,467,399	6,321,356	74.66%	5,433,313	64.17%	5,926,049	69.99%
316.00 Miscellaneous Power Plant Equipment		2,616,330	1,678,910	64.17%	1,449,971	55.42%	1,581,466	60.45%
Total Big Stone		\$ 133,643,271	\$ 79,114,654	59.20%	\$ 72,536,462	54.28%	\$ 79,114,654	59.20%
Hoot Lake Units 2 and 3								
311.00 Structures and Improvements		\$ 5,701,405	\$ 5,546,801	97.29%	\$ 4,824,496	84.62%	\$ 5,482,500	96.16%
312.00 Boiler Plant Equipment		32,632,828	19,819,713	60.74%	17,627,230	54.02%	20,031,376	61.38%
314.00 Turbogenerator Units		10,614,231	8,838,790	83.27%	7,666,470	72.23%	8,712,086	82.08%
315.00 Accessory Electric Equipment		2,078,266	2,031,192	97.74%	1,769,414	85.14%	2,010,741	96.75%
316.00 Miscellaneous Power Plant Equipment		860,019	506,242	58.86%	445,300	51.78%	506,033	58.84%
Total Hoot Lake Units 2 and 3		\$ 51,886,739	\$ 36,742,737	70.81%	\$ 32,332,909	62.31%	\$ 36,742,737	70.81%
Coyote								
311.00 Structures and Improvements		\$ 31,545,992	\$ 20,650,519	65.46%	\$ 18,280,286	57.95%	\$ 20,643,815	65.44%
312.00 Boiler Plant Equipment		87,174,089	52,879,259	60.66%	46,762,889	53.64%	52,809,044	60.58%
314.00 Turbogenerator Units		18,244,335	10,361,486	56.79%	9,212,574	50.50%	10,403,703	57.02%
315.00 Accessory Electric Equipment		8,544,298	5,634,385	65.94%	4,997,019	58.48%	5,643,103	66.05%
316.00 Miscellaneous Power Plant Equipment		1,779,740	816,917	45.90%	746,397	41.94%	842,901	47.36%
Total Coyote		\$ 147,288,454	\$ 90,342,566	61.34%	\$ 79,999,165	54.31%	\$ 90,342,566	61.34%
HYDRAULIC PRODUCTION								

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2008

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
Hoot Lake								
331.00 Structures and Improvements	\$	69,354	\$ 67,384	97.16%	\$ 54,820	79.04%	\$ 67,237	96.95%
332.00 Reservoirs, Dams and Waterways		247,942	243,030	98.02%	197,691	79.73%	242,468	97.79%
333.00 Water Wheels, Turbines & Generators		104,195	83,294	79.94%	68,234	65.49%	83,690	80.32%
334.00 Accessory Electric Equipment		34,650	24,933	71.96%	20,584	59.41%	25,246	72.86%
335.00 Miscellaneous Power Plant Equipment								
Total Hoot Lake	\$	456,141	\$ 418,641	91.78%	\$ 341,330	74.83%	\$ 418,641	91.78%
Wright								
331.00 Structures and Improvements	\$	19,026	\$ 12,217	64.21%	\$ 11,319	59.49%	\$ 11,672	61.35%
332.00 Reservoirs, Dams and Waterways		357,504	142,690	39.91%	142,393	39.83%	146,828	41.07%
333.00 Water Wheels, Turbines & Generators		228,711	81,896	35.81%	77,710	33.98%	80,130	35.04%
334.00 Accessory Electric Equipment		183,074	50,885	27.79%	49,197	26.87%	50,729	27.71%
335.00 Miscellaneous Power Plant Equipment		54,714	36,284	66.32%	33,568	61.35%	34,614	63.26%
Total Wright	\$	843,029	\$ 323,972	38.43%	\$ 314,188	37.27%	\$ 323,972	38.43%
Pisgah								
331.00 Structures and Improvements	\$	12,117	\$ 8,381	69.17%	\$ 8,207	67.73%	\$ 8,279	68.32%
332.00 Reservoirs, Dams and Waterways		110,070	85,555	77.73%	83,619	75.97%	84,348	76.63%
333.00 Water Wheels, Turbines & Generators		159,731	15,185	9.51%	16,368	10.25%	16,511	10.34%
334.00 Accessory Electric Equipment		111,258	35,048	31.50%	34,850	31.32%	35,153	31.60%
335.00 Miscellaneous Power Plant Equipment		21,820	12,840	58.84%	12,607	57.78%	12,717	58.28%
Total Pisgah	\$	414,996	\$ 157,008	37.83%	\$ 155,651	37.51%	\$ 157,008	37.83%
Dayton Hollow								
331.00 Structures and Improvements	\$	66	\$ 56	85.56%	\$ 49	74.21%	\$ 52	78.40%
332.00 Reservoirs, Dams and Waterways		314,907	225,629	71.65%	204,544	64.95%	216,071	68.61%
333.00 Water Wheels, Turbines & Generators		137,413	14,706	10.70%	27,040	19.68%	28,564	20.79%
334.00 Accessory Electric Equipment		133,223	68,399	51.34%	61,036	45.81%	64,476	48.40%
335.00 Miscellaneous Power Plant Equipment		8,354	5,436	65.07%	4,794	57.38%	5,054	60.61%
Total Dayton Hollow	\$	593,963	\$ 314,226	52.90%	\$ 297,463	50.08%	\$ 314,226	52.90%

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2008

Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Taplin Gorge								
331.00 Structures and Improvements	\$ 35,140		\$ 32,734	93.15%	\$ 29,244	83.22%	\$ 32,533	92.58%
332.00 Reservoirs, Dams and Waterways	366,191		284,279	77.63%	255,451	69.76%	284,179	77.60%
333.00 Water Wheels, Turbines & Generators	15,110		14,407	95.35%	12,812	84.79%	14,252	94.32%
334.00 Accessory Electric Equipment	9,090		7,357	80.93%	6,585	72.44%	7,326	80.59%
335.00 Miscellaneous Power Plant Equipment	62,717		34,227	54.57%	31,205	49.75%	34,714	55.35%
Total Taplin Gorge	\$ 488,248		\$ 373,004	76.40%	\$ 335,296	68.67%	\$ 373,004	76.40%
Bemidji								
331.00 Structures and Improvements	\$ 105,629		\$ 18,434	17.45%	\$ 23,295	22.05%	\$ 21,599	20.45%
332.00 Reservoirs, Dams and Waterways	216,555		137,716	63.59%	145,923	67.38%	135,299	62.48%
333.00 Water Wheels, Turbines & Generators	331,340		114,757	34.63%	122,234	36.89%	113,334	34.20%
334.00 Accessory Electric Equipment	6,840		5,422	79.27%	5,630	82.30%	5,220	76.31%
335.00 Miscellaneous Power Plant Equipment	288		(882)	-236.72%	210	73.07%	195	67.75%
Total Bemidji	\$ 660,652		\$ 275,647	41.72%	\$ 297,292	45.00%	\$ 275,647	41.72%
OTHER PRODUCTION								
Jamestown								
341.00 Structures and Improvements	\$ 244,252		\$ 177,284	72.58%	\$ 164,512	67.35%	\$ 167,508	68.58%
342.00 Fuel Holders and Accessories	241,933		182,036	75.24%	168,505	69.65%	171,999	71.09%
343.00 Prime Movers	6,674,855		4,537,801	67.98%	4,410,251	66.07%	4,558,660	68.30%
344.00 Generators								
345.00 Accessory Electric Equipment	61,439		43,192	70.30%	40,780	66.37%	42,144	68.59%
346.00 Miscellaneous Power Plant Equipment	90,068		47,574	52.82%	46,268	51.37%	47,576	52.82%
Total Jamestown	\$ 7,312,547		\$ 4,987,887	68.21%	\$ 4,830,316	66.06%	\$ 4,987,887	68.21%
Jamestown Unit 1								
341.00 Structures and Improvements	\$ 229,859		\$ 169,832	73.89%	\$ 157,297	68.43%	\$ 159,969	69.59%
342.00 Fuel Holders and Accessories	205,164		157,779	76.90%	145,914	71.12%	148,392	72.33%
343.00 Prime Movers	2,877,314		1,793,235	62.32%	1,783,330	61.98%	1,813,618	63.03%
344.00 Generators								
345.00 Accessory Electric Equipment	22,080		18,186	82.37%	16,778	75.99%	17,063	77.28%
346.00 Miscellaneous Power Plant Equipment	63,026		28,066	44.53%	27,588	43.77%	28,057	44.52%
Total Jamestown Unit 1	\$ 3,397,443		\$ 2,167,099	63.79%	\$ 2,130,907	62.72%	\$ 2,167,099	63.79%

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary

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Statement C

Account Description A	Plant Investment B		Recorded Reserve C		Computed Reserve E		Redistributed Reserve G	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		D=C/B		F=E/B		H=G/B		
Jamestown Unit 2								
341.00 Structures and Improvements	\$ 14,393	51.78%	\$ 7,452	50.13%	\$ 7,215	50.13%	\$ 7,540	52.38%
342.00 Fuel Holders and Accessories	36,769	65.97%	24,257	61.44%	22,591	61.44%	23,607	64.20%
343.00 Prime Movers	3,797,541	72.27%	2,744,566	69.17%	2,626,921	69.17%	2,745,041	72.28%
344.00 Generators								
345.00 Accessory Electric Equipment	39,359	63.53%	25,006	60.98%	24,002	60.98%	25,081	63.72%
346.00 Miscellaneous Power Plant Equipment	27,042	72.14%	19,507	69.08%	18,680	69.08%	19,520	72.18%
Total Jamestown Unit 2	\$ 3,915,104	72.05%	\$ 2,820,788	68.95%	\$ 2,699,409	68.95%	\$ 2,820,788	72.05%
Lake Preston								
341.00 Structures and Improvements	\$ 194,154	79.44%	\$ 154,234	74.14%	\$ 143,952	74.14%	\$ 154,140	79.39%
342.00 Fuel Holders and Accessories	301,705	79.32%	239,323	74.04%	223,383	74.04%	239,192	79.28%
343.00 Prime Movers	3,161,513	76.10%	2,405,930	71.11%	2,248,135	71.11%	2,407,241	76.14%
344.00 Generators								
345.00 Accessory Electric Equipment	281,647	79.03%	222,593	73.75%	207,725	73.75%	222,427	78.97%
346.00 Miscellaneous Power Plant Equipment	21,607	83.40%	18,021	73.91%	15,971	73.91%	17,101	79.15%
Total Lake Preston	\$ 3,960,626	76.76%	\$ 3,040,700	71.68%	\$ 2,839,165	71.68%	\$ 3,040,100	76.76%
Ashtabula Wind Generation								
341.00 Structures and Improvements	\$ -	-	\$ -	-	\$ -	-	\$ -	-
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	115,325,925	0.33%	376,409	2.00%	2,306,519	2.00%	376,409	0.33%
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Ashtabula Wind Generation	\$ 115,325,925	0.33%	\$ 376,409	2.00%	\$ 2,306,519	2.00%	\$ 376,409	0.33%
Langdon Wind Generation								
341.00 Structures and Improvements	\$ -	-	\$ -	-	\$ -	-	\$ -	-
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	77,797,924	3.91%	3,038,398	6.00%	4,667,875	6.00%	3,038,398	3.91%
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Langdon Wind Generation	\$ 77,797,924	3.91%	\$ 3,038,398	6.00%	\$ 4,667,875	6.00%	\$ 3,038,398	3.91%

OTTER TAIL POWER COMPANY

Depreciation Reserve Summary

Vintage Group Procedure

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Statement C

Account Description	Plant Investment		Recorded Reserve		Computed Reserve		Redistributed Reserve	
	A	B	C	D=C/B	E	F=E/B	G	H=G/B
Solway Combustion Turbine								
341.00 Structures and Improvements		\$ 4,205,071	\$ 728,389	17.32%	\$ 634,412	15.09%	\$ 723,686	17.21%
342.00 Fuel Holders and Accessories		1,003,596	168,664	16.81%	145,761	14.52%	166,272	16.57%
343.00 Prime Movers		21,034,183	3,633,825	17.28%	3,194,758	15.19%	3,644,321	17.33%
344.00 Generators								
345.00 Accessory Electric Equipment		1,251,047	221,378	17.70%	190,965	15.26%	217,838	17.41%
346.00 Miscellaneous Power Plant Equipment		306,812	44,434	14.48%	39,074	12.74%	44,573	14.53%
Total Solway Combustion Turbine		\$ 27,800,709	\$ 4,796,689	17.25%	\$ 4,204,971	15.13%	\$ 4,796,689	17.25%
Fergus Falls Control Center								
341.00 Structures and Improvements		-	-	-	-	-	-	-
342.00 Fuel Holders and Accessories								
343.00 Prime Movers		591,637	215,702	36.46%	226,918	38.35%	215,702	36.46%
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Fergus Falls Control Center		\$ 591,637	\$ 215,702	36.46%	\$ 226,918	38.35%	\$ 215,702	36.46%

Statement D

OTTER TAIL POWER COMPANY
Average Net Salvage

Account Description	A		B		C		D-E-C		E		F		G-E-C		H-F-D		I-G-H		J-I-B	
	Additions	Plant Investment Retirements	Survivors	Realized	Salvage Rate Future	Realized	Net Salvage Future	Total	Average Rate											
STEAM PRODUCTION																				
311.00 Structures and Improvements	\$ 60,698,956	\$ 864,611	\$ 59,834,345	-34.8%	-7.0%	\$ (300,987)	\$ (4,203,508)	\$ (4,504,495)	-7.4%											
312.00 Boiler Plant Equipment	215,813,397	24,076,345	191,737,052	-17.5%	-7.5%	(4,207,598)	(14,343,433)	(18,551,031)	-8.6%											
314.00 Turbogenerator Units	67,893,997	10,992,912	56,901,025	9.2%	-8.0%	1,011,015	(4,568,747)	(3,557,732)	-5.2%											
315.00 Accessory Electric Equipment	19,442,412	352,459	19,089,953	-11.7%	-7.4%	(41,395)	(1,405,111)	(1,446,506)	-7.4%											
316.00 Miscellaneous Power Plant Equipment	6,799,674	1,543,585	5,256,089	7.6%	-7.7%	117,179	(404,114)	(286,935)	-4.2%											
Total Steam Production Plant	\$ 370,648,376	\$ 37,829,912	\$ 332,818,464	-9.0%	-7.5%	\$(3,421,786)	\$(24,924,913)	\$(28,346,699)	-7.6%											
HYDRAULIC PRODUCTION																				
331.00 Structures and Improvements	\$ 243,923	\$ 2,591	\$ 241,332			\$ -	\$ -	\$ -	-1.1%											
332.00 Reservoirs, Dams and Waterways	1,627,312	14,143	1,613,169			(18,030)	(18,030)	(18,030)	-3.9%											
333.00 Water Wheels, Turbines & Generators	985,094	8,594	976,500			(38,780)	(38,780)	(38,780)	-1.6%											
334.00 Accessory Electric Equipment	478,135		478,135						-0.1%											
335.00 Miscellaneous Power Plant Equipment	153,952	6,059	147,893			(131)	(131)	(131)	-1.6%											
Total Hydraulic Production Plant	\$ 3,488,416	\$ 31,387	\$ 3,457,029	-181.4%		\$(56,941)	\$(56,941)	\$(56,941)												
OTHER PRODUCTION																				
341.00 Structures and Improvements	\$ 4,652,700	\$ 9,223	\$ 4,643,477	-2.5%	-0.2%	\$ (226)	\$ (7,418)	\$ (7,644)	-0.2%											
342.00 Fuel Holders and Accessories	1,597,075	149,841	1,547,234	-5.4%	-0.3%	(8,091)	(5,171)	(13,262)	-0.8%											
343.00 Prime Movers	31,846,565	384,377	31,462,188	-27.9%	-0.3%	(107,094)	(89,537)	(196,631)	-0.6%											
344.00 Generators	193,123,849		193,123,849						-0.2%											
345.00 Accessory Electric Equipment	1,605,489	11,336	1,594,153	4.4%	-0.3%	500	(4,155)	(3,654)	-0.2%											
346.00 Miscellaneous Power Plant Equipment	422,107	3,620	418,487	71.8%	-0.2%	2,599	(1,042)	1,557	0.4%											
Total Other Production Plant	\$ 233,347,765	\$ 558,397	\$ 232,789,368	-20.1%	0.0%	\$(112,312)	\$(107,322)	\$(219,634)	-0.1%											
TRANSMISSION PLANT																				
353.00 Station Equipment	\$ 69,276,939	\$ 6,707,483	\$ 62,569,456	48.2%	-5.0%	\$ 3,233,007	\$ (3,128,473)	\$ 104,534	0.2%											
354.00 Towers and Fixtures	4,592,263		4,592,263		-10.0%		(469,226)	(469,226)	-10.0%											
355.00 Poles and Fixtures	80,447,405	4,026,443	76,420,962	58.0%	-50.0%	2,335,337	(38,210,481)	(35,875,144)	-44.6%											
356.00 Overhead Conductors and Devices	71,236,097	4,350,142	66,885,955	54.0%	-30.0%	2,349,077	(20,065,787)	(17,716,710)	-24.9%											
358.00 Underground Conductors and Devices	81,099	462	80,637	-395.7%	-5.0%	(1,828)	(4,032)	(5,860)	-7.2%											
Total Transmission Plant	\$ 225,733,803	\$ 15,084,530	\$ 210,649,273	52.5%	-29.4%	\$ 7,915,592	\$(51,877,998)	\$(53,962,406)	-23.9%											
DISTRIBUTION PLANT																				
362.00 Station Equipment	\$ 63,037,950	\$ 12,967,984	\$ 50,069,966	13.7%	5.0%	\$ 1,776,614	\$ 2,503,498	\$ 4,280,112	6.8%											
365.00 Poles, Towers and Fixtures	58,622,733	2,434,562	56,188,171	-106.2%	-75.0%	(2,585,505)	(42,141,128)	(44,726,633)	-76.3%											
366.00 Overhead Conductors and Devices	45,608,727	2,470,465	43,138,262	-104.1%	-100.0%	(2,571,754)	(43,138,262)	(45,710,016)	-100.2%											
367.00 Underground Conductors and Devices	57,829,420	3,266,386	54,563,034	-4.2%	-5.0%	(137,188)	(2,713,152)	(2,850,340)	-5.0%											
368.00 Line Transformers	67,289,605	8,111,393	59,178,212	38.2%	50.0%	3,098,552	29,589,106	32,687,658	48.6%											
369.00 Overhead Services	11,624,634	629,977	10,994,657	-210.1%	-150.0%	(1,323,582)	(16,491,986)	(17,815,567)	-153.3%											
370.00 Underground Services	29,471,897	281,523	29,190,374	-30.7%	-20.0%	(86,428)	(5,924,502)	(6,010,876)	-20.1%											
370.10 Meters	21,767,527	1,537,461	20,230,066	0.8%					0.1%											
370.10 Load Management Switches	10,654,426	1,938,948	8,715,478																	

Statement D
OTTER TAIL POWER COMPANY
 Average Net Salvage

Account Description A	Plant Investment C		Survivors D-E-C		Salvage Rate F		Net Salvage H-F-D		Average Rate J-I/F
	Additions B	Retirements	Realized E	Future F	Realized G-E-C	Future H-F-D	Total I-G-H		
370.20 Interruption Monitors	1,215,948	591,170	624,778						
371.20 Other Private Lighting	5,740,252	1,964,728	3,775,524						
373.00 Street Lighting and Signal Systems	7,103,343	2,761,757	4,341,586						
Total Distribution Plant	\$ 379,666,462	\$ 38,956,354	\$ 340,710,108						
GENERAL PLANT									
Depreciable									
390.00 Structures and Improvements	\$ 21,841,474	\$ 2,848,331	\$ 18,993,143						
390.10 General Office Buildings	6,305,944	685,485	5,620,459						
390.20 Fleet Service Center Building	867,186	77,442	789,744						
390.30 Central Stores Building	3,926,134	37,194	3,888,940						
396.00 Power Operated Equipment	948,634	395,167	553,467						
397.40 Communication Towers	1,576,095	89,342	1,486,753						
Total Depreciable	\$ 35,465,467	\$ 4,132,961	\$ 31,332,506						
Amortizable									
391.00 Office Furniture	\$ 5,683,098	\$ 3,308,999	\$ 2,374,099						
391.10 Office Equipment	2,569,845	1,569,258	1,000,587						
391.20 Duplicating Equipment	1,993,717	833,462	1,160,255						
391.50 Computer Systems	8,826,493	7,299,160	1,527,333						
391.60 Computer Related Equipment	8,793,881	6,957,597	1,836,284						
393.00 Stores Equipment	5,065,657	2,106,623	2,959,034						
394.00 Tools, Shop and Garage Equipment	2,069,298	975,801	1,093,497						
394.20 Automated Meter Reading Equipment	2,357,718	2,108,550	249,168						
395.00 Laboratory Equipment	1,543,928	939,634	604,294						
397.00 Communication Equipment	5,546,865	4,616,540	928,325						
397.10 Radio Telecommunication Equipment	5,125,987	2,482,332	2,643,655						
397.20 Microwave Equipment	1,453,634	1,318,607	135,027						
397.30 Radio Load Control Equipment	51,030,121	34,518,563	16,511,558						
Total Amortizable	\$ 86,495,568	\$ 38,651,524	\$ 47,844,064						
Total General Plant	\$1,299,380,410	\$131,112,104	\$ 1,168,268,306						
TOTAL UTILITY									
STEAM PRODUCTION									
Big Stone									
311.00 Structures and Improvements	\$ 22,958,845	\$ 371,897	\$ 22,586,948						
312.00 Boiler Plant Equipment	83,958,195	12,029,060	71,930,135						
314.00 Turbogenerator Units	32,584,521	4,542,052	28,042,469						
315.00 Accessory Electric Equipment	8,621,281	153,882	8,467,399						
316.00 Miscellaneous Power Plant Equipment	3,184,936	568,606	2,616,330						
Total Big Stone	\$ 151,307,778	\$ 17,664,507	\$ 133,643,271						

OTTER TAIL POWER COMPANY
Average Net Salvage

Statement D

Account Description	Plant Investment		Survivors		Salvage Rate		Net Salvage		Average Rate	
	A	B	C	D=E-C	E	F	G=EC	H=F-D		J=IIB
	Additions	Retirements			Realized	Future	Realized	Future	Total	
Hoot Lake Units 2 and 3										
311.00 Structures and Improvements	\$ 5,773,278	\$ 71,873	\$ 5,701,405		-312.1%	-11.2%	\$ (224,316)	\$ (698,557)	\$ (862,873)	-14.9%
312.00 Boiler Plant Equipment	35,443,913	2,811,085	32,632,828		-29.0%	-11.2%	(915,215)	(3,654,877)	(4,470,091)	-12.6%
314.00 Turbogenerator Units	11,911,299	1,297,068	10,614,231		-1.1%	-11.2%	(14,268)	(1,188,794)	(1,203,062)	-10.1%
315.00 Accessory Electric Equipment	2,086,909	8,653	2,078,256		-267.5%	-11.2%	(23,147)	(292,765)	(255,911)	-12.3%
316.00 Miscellaneous Power Plant Equipment	949,683	89,664	860,019		63.0%	-11.1%	56,488	(95,462)	(38,974)	-4.1%
Total Hoot Lake Units 2 and 3	\$ 56,165,082	\$ 4,278,343	\$ 51,886,739		-23.9%	-11.2%	\$ (1,020,456)	\$ (5,810,455)	\$ (6,830,911)	-12.2%
Coyote										
311.00 Structures and Improvements	\$ 31,966,833	\$ 420,841	\$ 31,545,992		-13.8%	-5.0%	\$ (58,076)	\$ (1,577,300)	\$ (1,635,376)	-5.1%
312.00 Boiler Plant Equipment	96,411,289	9,237,200	87,174,089		-3.0%	-5.0%	(277,116)	(4,358,704)	(4,635,820)	-4.8%
314.00 Turbogenerator Units	23,998,117	5,153,782	18,244,335		-0.2%	-5.0%	(10,308)	(912,217)	(922,524)	-3.9%
315.00 Accessory Electric Equipment	8,734,222	189,924	8,544,298		-5.8%	-5.0%	(11,016)	(427,215)	(438,230)	-5.0%
316.00 Miscellaneous Power Plant Equipment	2,665,055	885,315	1,779,740		4.8%	-4.7%	42,485	(83,648)	(41,163)	-1.5%
Total Coyote	\$ 163,175,516	\$ 15,887,062	\$ 147,288,454		-2.0%	-5.0%	\$ (314,020)	\$ (7,359,083)	\$ (7,673,104)	-4.7%
HYDRAULIC PRODUCTION										
Hoot Lake										
331.00 Structures and Improvements	\$ 69,354	\$ -	\$ 69,354				\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	247,942		247,942							
333.00 Water Wheels, Turbines & Generators	104,195		104,195							
334.00 Accessory Electric Equipment	34,650		34,650							
335.00 Miscellaneous Power Plant Equipment										
Total Hoot Lake	\$ 456,141	\$ -	\$ 456,141				\$ -	\$ -	\$ -	
Wright										
331.00 Structures and Improvements	\$ 19,026	\$ -	\$ 19,026				\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	365,083	7,579	357,504		-85.8%		(6,503)		(6,503)	-1.8%
333.00 Water Wheels, Turbines & Generators	228,711		228,711							
334.00 Accessory Electric Equipment	183,074		183,074							
335.00 Miscellaneous Power Plant Equipment	54,714		54,714							
Total Wright	\$ 850,608	\$ 7,579	\$ 843,029		-85.8%		\$ (6,503)	\$ -	\$ (6,503)	-0.8%
Pisgah										
331.00 Structures and Improvements	\$ 12,117	\$ -	\$ 12,117				\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	110,070		110,070							
333.00 Water Wheels, Turbines & Generators	161,199	1,468	159,731		-1645.1%		(24,150)		(24,150)	-15.0%
334.00 Accessory Electric Equipment	111,258		111,258							
335.00 Miscellaneous Power Plant Equipment	21,820		21,820							
Total Pisgah	\$ 416,464	\$ 1,468	\$ 414,996		-1645.1%		\$ (24,150)	\$ -	\$ (24,150)	-5.8%
Dayton Hollow										
331.00 Structures and Improvements	\$ 66	\$ -	\$ 66				\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	319,547	4,640	314,907		-205.3%		(9,526)		(9,526)	-3.0%
333.00 Water Wheels, Turbines & Generators	144,539	7,126	137,413		-205.3%		(14,630)		(14,630)	-10.1%
334.00 Accessory Electric Equipment	133,223		133,223							
335.00 Miscellaneous Power Plant Equipment	8,354		8,354							
Total Dayton Hollow	\$ 605,729	\$ 11,766	\$ 593,963		-205.3%		\$ (24,156)	\$ -	\$ (24,156)	-4.0%

Statement D

OTTER TAIL POWER COMPANY
Average Net Salvage

Account Description A	Plant Investment		Survivors		Salvage Rate		Net Salvage		Average Rate JUB
	Additions B	Retirements C	Survivors D-B-C	Realized E	Future F	Realized G-E-C	Future H-F-D	Total I-G+H	
Taplin Gorge									
331.00 Structures and Improvements	\$ 35,140	\$ -	35,140			\$ -	\$ -		
332.00 Reservoirs, Dams and Waterways	366,191		366,191						
333.00 Water Wheels, Turbines & Generators	15,110		15,110						
334.00 Accessory Electric Equipment	9,090		9,090						
335.00 Miscellaneous Power Plant Equipment	67,759	5,042	62,717						
Total Taplin Gorge	\$ 493,290	\$ 5,042	\$ 488,248						
Bemidji									
331.00 Structures and Improvements	\$ 108,220	\$ 2,591	105,629			\$ -	\$ -		
332.00 Reservoirs, Dams and Waterways	218,479	1,924	216,555	-104.0%		(2,001)		(2,001)	-0.9%
333.00 Water Wheels, Turbines & Generators	331,340		331,340						
334.00 Accessory Electric Equipment	6,840		6,840						
335.00 Miscellaneous Power Plant Equipment	1,305	1,017	288	-12.9%		(131)		(131)	-10.1%
Total Bemidji	\$ 666,184	\$ 5,532	\$ 660,652	-38.5%		\$ (2,132)		\$ (2,132)	-0.3%
OTHER PRODUCTION									
Jamestown									
341.00 Structures and Improvements	\$ 245,475	\$ 1,223	244,252	-18.5%		(226)		(1,466)	-0.7%
342.00 Fuel Holders and Accessories	391,774	149,841	241,933	-5.4%		(8,091)		(1,452)	-2.4%
343.00 Prime Movers	6,923,560	248,705	6,674,855	-42.7%		(106,193)		(40,049)	-2.1%
344.00 Generators									
345.00 Accessory Electric Equipment	68,264	6,825	61,439	7.3%		500		(369)	0.2%
346.00 Miscellaneous Power Plant Equipment	90,068		90,068					(540)	-0.6%
Total Jamestown	\$ 7,719,141	\$ 406,594	\$ 7,312,547	-28.0%		\$ (114,010)		\$ (43,875)	-2.0%
Jamestown Unit 1									
341.00 Structures and Improvements	\$ 231,082	\$ 1,223	229,859	-18.5%		(226)		(1,379)	-0.7%
342.00 Fuel Holders and Accessories	205,164		205,164					(1,231)	-0.6%
343.00 Prime Movers	3,004,562	127,248	2,877,314	-63.6%		(80,930)		(17,264)	-3.3%
344.00 Generators									
345.00 Accessory Electric Equipment	24,293	2,213	22,080	22.6%		500		(132)	1.5%
346.00 Miscellaneous Power Plant Equipment	63,026		63,026					(378)	-0.6%
Total Jamestown Unit 1	\$ 3,528,127	\$ 130,684	\$ 3,397,443	-61.7%		\$ (80,656)		\$ (20,365)	-2.9%
Jamestown Unit 2									
341.00 Structures and Improvements	\$ 14,393	\$ -	14,393			\$ -	\$ -	(66)	-0.6%
342.00 Fuel Holders and Accessories	186,610	149,841	36,769	-5.4%		(8,091)		(8,312)	-4.5%
343.00 Prime Movers	3,918,998	121,457	3,797,541	-20.8%		(25,263)		(22,765)	-1.2%
344.00 Generators									
345.00 Accessory Electric Equipment	43,971	4,612	39,359					(236)	-0.5%
346.00 Miscellaneous Power Plant Equipment	27,042		27,042					(162)	-0.6%
Total Jamestown Unit 2	\$ 4,191,014	\$ 275,910	\$ 3,915,104	-12.1%		\$ (33,354)		\$ (23,491)	-1.4%

Statement D

OTTER TAIL POWER COMPANY

Average Net Salvage

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Average Rate JUB
	Additions B	Retirements C	Survivors D=BC	Realized E	Future F	Future HFD	Total IGH	
				G=EC				
Lake Preston								
341.00 Structures and Improvements	\$ 194,154	\$ -	194,154	-0.9%	-0.9%	\$(1,747)	\$(1,747)	-0.9%
342.00 Fuel Holders and Accessories	301,705		301,705	-0.9%	-0.9%	(2,715)	(2,715)	-0.9%
343.00 Prime Movers	3,237,849	76,336	3,161,513	-6.0%	-0.9%	(28,454)	(33,034)	-1.0%
344.00 Generators								
345.00 Accessory Electric Equipment	286,156	4,511	281,647	-0.9%	-0.9%	(2,535)	(2,535)	-0.9%
346.00 Miscellaneous Power Plant Equipment	25,227	3,620	21,607	71.8%	-0.9%	(194)	2,405	9.5%
Total Lake Preston	\$ 4,045,083	\$ 84,467	\$ 3,860,626	-2.3%	-0.9%	\$(1,981)	\$(35,646)	-0.9%
Ashtabula Wind Generation								
341.00 Structures and Improvements	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	-
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	115,325,925		115,325,925					
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Ashtabula Wind Generation	\$ 115,325,925	\$ -	\$ 115,325,925	\$ -	\$ -	\$ -	\$ -	-
Langdon Wind Generation								
341.00 Structures and Improvements	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	-
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	77,797,924		77,797,924					
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Langdon Wind Generation	\$ 77,797,924	\$ -	\$ 77,797,924	\$ -	\$ -	\$ -	\$ -	-
Solway Combustion Turbine								
341.00 Structures and Improvements	\$ 4,213,071	\$ 8,000	4,205,071	-0.1%	-0.1%	\$(4,205)	\$(4,205)	-0.1%
342.00 Fuel Holders and Accessories	1,003,596		1,003,596	-0.1%	-0.1%	(1,004)	(1,004)	-0.1%
343.00 Prime Movers	21,034,183		21,034,183	-0.1%	-0.1%	(21,034)	(21,034)	-0.1%
344.00 Generators								
345.00 Accessory Electric Equipment	1,251,047		1,251,047	-0.1%	-0.1%	(1,251)	(1,251)	-0.1%
346.00 Miscellaneous Power Plant Equipment	306,812		306,812	-0.1%	-0.1%	(307)	(307)	-0.1%
Total Solway Combustion Turbine	\$ 27,808,709	\$ 8,000	\$ 27,800,709	-0.1%	-0.1%	\$(27,801)	\$(27,801)	-0.1%
Fergus Falls Control Center								
341.00 Structures and Improvements	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	-
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	650,973	59,336	591,637	6.2%		3,679	3,679	0.6%
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Fergus Falls Control Center	\$ 650,973	\$ 59,336	\$ 591,637	6.2%	\$ -	\$ 3,679	\$ 3,679	0.6%

Statement E

OTTER TAIL POWER COMPANY
 Future Net Salvage
 Steam Production

Account Description	12/31/08 Plant Investment		Future Retirements		Net Salvage Rate		Future Net Salvage		Future Rate	
	A	B	C	D=B-C	E	F	G=C-E	H=D-F		I=G+H
STEAM PRODUCTION										
Big Stone										
311.00 Structures and Improvements	\$ 22,586,948	\$ 909,908	\$ 21,677,040	-9.0%	\$ (45,495)	\$ (1,942,157)	\$ (1,987,653)	-8.8%		
312.00 Boiler Plant Equipment	71,930,135	2,859,187	69,070,948	-9.0%	(142,959)	(6,188,420)	(6,331,380)	-8.8%		
314.00 Turbogenerator Units	28,042,459	1,091,553	26,950,906	-9.0%	(54,578)	(2,414,670)	(2,469,248)	-8.8%		
315.00 Accessory Electric Equipment	8,467,399	341,192	8,126,207	-9.0%	(17,060)	(728,069)	(745,128)	-8.8%		
316.00 Miscellaneous Power Plant Equipment	2,616,330	103,616	2,512,714	-9.0%		(225,127)	(225,127)	-8.6%		
Total Big Stone	\$ 133,643,271	\$ 5,305,456	\$ 128,337,815	-4.9%	\$ (260,092)	\$ (11,498,443)	\$ (11,758,535)	-8.8%		
Hoot Lake Units 2 and 3										
311.00 Structures and Improvements	\$ 5,701,405	\$ 159,670	\$ 5,541,735	-11.4%	\$ (7,983)	\$ (630,142)	\$ (638,126)	-11.2%		
312.00 Boiler Plant Equipment	32,632,828	861,098	31,771,730	-11.4%	(43,055)	(3,612,716)	(3,655,771)	-11.2%		
314.00 Turbogenerator Units	10,614,231	288,753	10,325,478	-11.4%	(14,438)	(1,174,095)	(1,188,532)	-11.2%		
315.00 Accessory Electric Equipment	2,078,256	58,327	2,019,929	-11.4%	(2,916)	(229,683)	(232,599)	-11.2%		
316.00 Miscellaneous Power Plant Equipment	860,019	22,209	837,810	-11.4%		(95,266)	(95,266)	-11.1%		
Total Hoot Lake Units 2 and 3	\$ 51,886,739	\$ 1,390,056	\$ 50,496,683	-4.9%	\$ (68,392)	\$ (5,741,903)	\$ (5,810,295)	-11.2%		
Coyote										
311.00 Structures and Improvements	\$ 31,545,992	\$ 1,689,177	\$ 29,856,815	-5.0%	\$ (84,459)	\$ (1,480,418)	\$ (1,564,877)	-5.0%		
312.00 Boiler Plant Equipment	87,174,089	4,640,620	82,533,469	-5.0%	(232,031)	(4,092,334)	(4,324,365)	-5.0%		
314.00 Turbogenerator Units	18,244,335	967,144	17,277,191	-5.0%	(48,357)	(856,671)	(905,028)	-5.0%		
315.00 Accessory Electric Equipment	8,544,298	458,133	8,086,165	-5.0%	(22,907)	(400,944)	(423,851)	-5.0%		
316.00 Miscellaneous Power Plant Equipment	1,779,740	93,061	1,686,679	-5.0%		(83,632)	(83,632)	-4.7%		
Total Coyote	\$ 147,288,454	\$ 7,848,135	\$ 139,440,319	-4.9%	\$ (387,754)	\$ (6,914,000)	\$ (7,301,754)	-5.0%		
OTHER PRODUCTION										
Jamestown										
341.00 Structures and Improvements	\$ 244,252	\$ 6,518	\$ 237,734	-0.6%	\$ -	\$ (1,404)	\$ (1,404)	-0.6%		
342.00 Fuel Holders and Accessories	241,933	6,532	235,401	-0.6%		(1,390)	(1,390)	-0.6%		
343.00 Prime Movers	6,674,855	178,791	6,496,064	-0.6%		(38,361)	(38,361)	-0.6%		
344.00 Generators										
345.00 Accessory Electric Equipment	61,439	1,634	59,805	-0.6%		(353)	(353)	-0.6%		
346.00 Miscellaneous Power Plant Equipment	90,068	2,357	87,711	-0.6%		(518)	(518)	-0.6%		
Total Jamestown	\$ 7,312,547	\$ 195,832	\$ 7,116,715	-0.6%	\$ -	\$ (42,026)	\$ (42,026)	-0.6%		

Statement E

OTTER TAIL POWER COMPANY

Future Net Salvage
Steam Production

Account Description	12/31/08		Future Reirements		Net Salvage Rate		Future Net Salvage		Future Rate
	Plant Investment	B	Interim	Final	Interim	Final	Interim	Final	
A			C	D=B-C	E	F	G=C+E	H=D+F	J=I/B
Lake Preston									
341.00 Structures and Improvements	\$ 194,154		\$ 5,245	\$ 188,909		-0.9%	\$ -	\$ (1,770)	-0.9%
342.00 Fuel Holders and Accessories	301,705		8,146	293,559		-0.9%		(2,751)	-0.9%
343.00 Prime Movers	3,161,513		84,965	3,076,548		-0.9%		(28,833)	-0.9%
344.00 Generators									
345.00 Accessory Electric Equipment	281,647		7,605	274,042		-0.9%		(2,568)	-0.9%
346.00 Miscellaneous Power Plant Equipment	21,607		579	21,028		-0.9%		(197)	-0.9%
Total Lake Preston	\$ 3,960,626		\$ 106,540	\$ 3,854,086		-0.9%	\$ -	\$ (36,120)	-0.9%
Solway Combustion Turbine									
341.00 Structures and Improvements	\$ 4,205,071		\$ 309,074	\$ 3,895,997		-0.1%	\$ -	\$ (3,658)	-0.1%
342.00 Fuel Holders and Accessories	1,003,596		73,721	929,875		-0.1%		(873)	-0.1%
343.00 Prime Movers	21,034,183		1,546,133	19,488,050		-0.1%		(18,296)	-0.1%
344.00 Generators									
345.00 Accessory Electric Equipment	1,251,047		91,966	1,159,081		-0.1%		(1,088)	-0.1%
346.00 Miscellaneous Power Plant Equipment	306,812		22,486	284,316		-0.1%		(267)	-0.1%
Total Solway Combustion Turbine	\$ 27,800,709		\$ 2,043,390	\$ 25,757,319		-0.1%	\$ -	\$ (24,182)	-0.1%

OTTER TAIL POWER COMPANY

Proposed Parameters
Vintage Group Procedure

Statement F

Account Description A	Present Parameters					Proposed Parameters						
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
STEAM PRODUCTION												
311.00 Structures and Improvements			43.08	18.14	-7.5	-7.1		42.22	17.12	-7.4	-7.4	-7.0
312.00 Boiler Plant Equipment			33.80	17.05	-8.6	-7.6		31.49	15.59	-8.6	-8.6	-7.5
314.00 Turbogenerator Units			28.75	16.43	-5.9	-8.3		28.35	15.45	-5.2	-8.0	-8.0
315.00 Accessory Electric Equipment			41.28	17.63	-7.6	-7.5		41.01	16.64	-7.4	-7.4	-7.4
316.00 Miscellaneous Power Plant Equipment			28.68	16.40	-4.4	-7.9		27.89	15.37	-4.2	-4.2	-7.7
Total Steam Production Plant								32.74	15.82	-7.6	-7.6	-7.5
HYDRAULIC PRODUCTION												
331.00 Structures and Improvements			36.41	13.26				25.94	12.29			
332.00 Reservoirs, Dams and Waterways			42.69	13.25	-0.8			34.43	12.29	-1.1		
333.00 Water Wheels, Turbines & Generators			19.91	13.27	-4.2			19.27	12.30	-3.9		
334.00 Accessory Electric Equipment			19.57	13.27				19.59	12.30			
335.00 Miscellaneous Power Plant Equipment			27.73	13.26	-0.1			27.76	12.30	-0.1		
Total Hydraulic Production Plant								25.31	12.30	-1.6		
OTHER PRODUCTION												
341.00 Structures and Improvements			33.56	27.64	-0.2			33.52	26.74	-0.2		
342.00 Fuel Holders and Accessories			34.30	23.38	-0.8			34.30	22.44	-0.8		
343.00 Prime Movers			33.81	23.77	-0.3			32.99	22.44	-0.6		
344.00 Generators			25.00	24.50				25.00	24.10			
345.00 Accessory Electric Equipment			34.12	25.71	-0.2			34.15	24.78	-0.2		
346.00 Miscellaneous Power Plant Equipment			32.58	25.25	-0.2			29.25	22.25	0.4		
Total Other Production Plant								26.09	23.95	-0.1		0.0
TRANSMISSION PLANT												
353.00 Station Equipment	60.00	R0.5	60.74	48.47	0.7	-5.0	60.00	R0.5	49.36	0.2	-5.0	-5.0
354.00 Towers and Fixtures	70.00	R5	70.00	42.89	-10.0	-10.0	70.00	R5	41.89	-10.0	-10.0	-10.0
355.00 Poles and Fixtures	65.00	S1.5	65.17	45.98	-43.7	-50.0	65.00	S1.5	47.61	-44.6	-50.0	-50.0
356.00 Overhead Conductors and Devices	60.00	S1.5	60.21	43.04	-24.5	-30.0	60.00	S1.5	43.04	-24.9	-30.0	-30.0
358.00 Underground Conductors and Devices	35.00	S4	36.02	7.37	-7.6	-5.0	35.00	S4	10.48	-7.2	-5.0	-5.0
Total Transmission Plant								62.24	46.51	-23.9	-29.4	

OTTER TAIL POWER COMPANY

Proposed Parameters
Vintage Group Procedure

Statement F

Account Description	Present Parameters						Proposed Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
DISTRIBUTION PLANT												
362.00 Station Equipment	38.00	S-5	38.39	27.51	6.3	5.0	38.00	S-5	38.37	28.13	6.8	5.0
364.00 Poles, Towers and Fixtures	65.00	R3	65.09	47.17	-76.3	-75.0	65.00	R3	65.09	47.02	-76.3	-75.0
365.00 Overhead Conductors and Devices	60.00	R3	60.02	40.73	-100.8	-100.0	60.00	R3	60.02	40.45	-100.2	-100.0
367.00 Underground Conductors and Devices	35.00	R4	34.94	21.35	-5.0	-5.0	35.00	R4	34.96	21.27	-5.0	-5.0
368.00 Line Transformers	32.00	R0.5	33.85	23.47	48.7	50.0	32.00	R0.5	33.73	23.90	48.6	50.0
369.00 Overhead Services	50.00	S5	50.30	30.58	-153.1	-150.0	50.00	S5	50.30	30.41	-153.3	-150.0
369.10 Underground Services	45.00	R4	45.06	32.34	-20.1	-20.0	45.00	R4	45.07	32.10	-20.1	-20.0
370.00 Meters	32.00	S0.5	34.71	21.77			32.00	S0.5	34.63	21.94	0.1	
370.10 Load Management Switches	15.00	L3	15.05	12.12			15.00	L3	15.05	11.16		
370.20 Interruption Monitors	5.00	SQ	5.00	1.67			5.00	SQ	5.00	4.50		
371.20 Other Private Lighting	22.00	L0	22.39	16.74	10.3	10.0	22.00	L0	22.39	16.61	10.2	10.0
373.00 Street Lighting and Signal Systems	18.00	L2	18.36	10.31	-3.4	-5.0	18.00	L2	18.39	10.30	-3.5	-5.0
Total Distribution Plant									38.93	26.71	-21.0	-22.9
GENERAL PLANT												
Depreciable												
390.10 Structures and Improvements	50.00	L1	50.36	36.34	13.5	10.0	50.00	L1	50.35	37.48	13.1	10.0
390.10 General Office Buildings	2030	200-SC	38.02	21.84	-6.0	-5.0	2030	200-SC	37.75	20.89	-6.0	-5.0
390.20 Fleet Service Center Building	2025	200-SC	38.53	17.09	-9.9	-5.0	2025	200-SC	38.55	16.14	-9.9	-5.0
390.30 Central Stores Building	2035	200-SC	51.47	26.49	-5.0	-5.0	2035	200-SC	51.53	25.56	-5.0	-5.0
396.00 Power Operated Equipment	23.00	L0	24.85	16.02	13.0	5.0	23.00	L0	24.76	16.72	14.5	5.0
397.40 Communication Towers	30.00	R4	30.25	14.48	5.7	5.0	30.00	R4	30.27	16.10	5.6	5.0
Total Depreciable									45.18	29.81	6.9	4.7
Amortizable												
391.00 Office Furniture	15.00	SQ	15.00	5.74			15.00	SQ	15.00	5.62		
391.10 Office Equipment	10.00	SQ	10.00	5.88			10.00	SQ	10.00	5.36		
391.20 Duplicating Equipment	10.00	SQ	10.00	5.06			10.00	SQ	10.00	4.13		
391.50 Computer Systems	5.00	SQ	5.00	3.47			5.00	SQ	5.00	2.59		
391.60 Computer Related Equipment	5.00	SQ	5.00	2.62			5.00	SQ	5.00	1.93		
393.00 Stores Equipment	15.00	SQ	15.00	1.00			15.00	SQ	15.00	7.89		
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	7.46			15.00	SQ	15.00	8.43		
394.20 Automated Meter Reading Equipment	15.00	SQ	15.00	9.43			15.00	SQ	15.00	1.39		
395.00 Laboratory Equipment	15.00	SQ	15.00	1.75			15.00	SQ	15.00	7.16		
397.00 Communication Equipment	15.00	SQ	15.00	5.25			15.00	SQ	15.00			

OTTER TAIL POWER COMPANY

Proposed Parameters
Vintage Group Procedure

Statement F

Account Description A	Present Parameters					Proposed Parameters						
	B P-Life/ AYFR	C Curve Shape	D VG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
397.10 Radio Telecommunication Equipment	10.00	SQ	10.00	4.83			10.00	SQ	10.00	5.01		
397.20 Microwave Equipment	15.00	SQ	15.00	9.68			15.00	SQ	15.00	9.15		
397.30 Radio Load Control Equipment	10.00	SQ	10.00	5.91			10.00	SQ	10.00	4.91		
Total Amortizable			9.97	4.85								
Total General Plant			20.36	12.21					2.8			3.1
TOTAL UTILITY			34.65	23.62					-12.3			-14.0
STEAM PRODUCTION												
Big Stone												
311.00 Structures and Improvements	2024	200-SC	40.83	16.14	-8.7	-8.8	2024	200-SC	38.84	15.18	-8.7	-8.8
312.00 Boiler Plant Equipment	2024	200-SC	31.09	16.15	-11.3	-8.8	2024	200-SC	30.66	15.19	-11.2	-8.8
314.00 Turbogenerator Units	2024	200-SC	24.59	16.15	-5.3	-8.8	2024	200-SC	24.08	15.19	-4.4	-8.8
315.00 Accessory Electric Equipment	2024	200-SC	37.02	16.14	-8.7	-8.8	2024	200-SC	36.97	15.18	-8.7	-8.8
316.00 Miscellaneous Power Plant Equipment	2024	200-SC	30.82	16.15	-6.6	-8.6	2024	200-SC	30.42	15.19	-6.5	-8.6
Total Big Stone									30.32	15.19	-9.1	-8.8
Hoot Lake Units 2 and 3												
311.00 Structures and Improvements	2019	200-SC	44.67	11.32	-16.2	-12.5	2019	200-SC	44.74	10.35	-14.9	-11.2
312.00 Boiler Plant Equipment	2019	200-SC	25.49	11.33	-13.2	-12.5	2019	200-SC	20.40	10.36	-12.6	-11.2
314.00 Turbogenerator Units	2019	200-SC	30.40	11.33	-11.4	-12.5	2019	200-SC	29.24	10.35	-10.1	-11.2
315.00 Accessory Electric Equipment	2019	200-SC	46.91	11.32	-13.6	-12.5	2019	200-SC	44.60	10.35	-12.3	-11.2
316.00 Miscellaneous Power Plant Equipment	2019	200-SC	18.96	11.33	-4.9	-12.4	2019	200-SC	18.18	10.36	-4.1	-11.1
Total Hoot Lake Units 2 and 3									23.76	10.36	-12.2	-11.2
Coyote												
311.00 Structures and Improvements	2029	200-SC	44.48	20.88	-5.1	-5.0	2029	200-SC	44.54	19.94	-5.1	-5.0
312.00 Boiler Plant Equipment	2029	200-SC	40.92	20.89	-4.8	-5.0	2029	200-SC	40.69	19.94	-4.8	-5.0
314.00 Turbogenerator Units	2029	200-SC	38.31	20.89	-3.9	-5.0	2029	200-SC	38.03	19.95	-3.9	-5.0
315.00 Accessory Electric Equipment	2029	200-SC	45.12	20.88	-5.0	-5.0	2029	200-SC	45.01	19.94	-5.0	-5.0
316.00 Miscellaneous Power Plant Equipment	2029	200-SC	33.14	20.90	-1.6	-4.7	2029	200-SC	32.28	19.96	-1.5	-4.7
Total Coyote									41.20	19.94	-4.7	-5.0

OTTER TAIL POWER COMPANY

Proposed Parameters
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Statement F

Account Description A	Present Parameters					Proposed Parameters						
	B P-Life/ AYFR	C Curve Shape	D VG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
HYDRAULIC PRODUCTION												
Hoot Lake												
331.00 Structures and Improvements	2021	200-SC	58.49	13.24			2021	200-SC	58.60	12.28		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	60.47	13.24			2021	200-SC	60.59	12.28		
333.00 Water Wheels, Turbines & Generators	2021	200-SC	35.55	13.26			2021	200-SC	35.61	12.29		
334.00 Accessory Electric Equipment	2021	200-SC	30.26	13.26			2021	200-SC	30.30	12.30		
335.00 Miscellaneous Power Plant Equipment												
Total Hoot Lake									48.81	12.29		
Wright												
331.00 Structures and Improvements	2021	200-SC	30.31	13.26			2021	200-SC	30.34	12.29		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	45.64	13.25			2021	200-SC	20.81	12.30		-1.8
333.00 Water Wheels, Turbines & Generators	2021	200-SC	18.62	13.27			2021	200-SC	18.63	12.30		
334.00 Accessory Electric Equipment	2021	200-SC	16.81	13.27			2021	200-SC	16.82	12.30		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	31.75	13.26			2021	200-SC	31.80	12.29		
Total Wright									19.75	12.30		-0.8
Pisgah												
331.00 Structures and Improvements	2021	200-SC	38.03	13.26			2021	200-SC	38.09	12.29		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	51.02	13.25			2021	200-SC	51.10	12.28		
333.00 Water Wheels, Turbines & Generators	2021	200-SC	15.75	13.27	-15.0		2021	200-SC	15.76	12.30		-15.0
334.00 Accessory Electric Equipment	2021	200-SC	17.90	13.27			2021	200-SC	17.91	12.30		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	29.09	13.26			2021	200-SC	29.13	12.30		
Total Pisgah									21.21	12.30		-5.8
Dayton Hollow												
331.00 Structures and Improvements	2021	200-SC	47.57	13.25			2021	200-SC	47.66	12.29		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	36.08	13.26	-3.0		2021	200-SC	36.12	12.29		-3.0
333.00 Water Wheels, Turbines & Generators	2021	200-SC	16.86	13.27	-10.1		2021	200-SC	16.86	12.30		-10.1
334.00 Accessory Electric Equipment	2021	200-SC	22.67	13.27			2021	200-SC	22.70	12.30		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	28.82	13.26			2021	200-SC	28.86	12.30		
Total Dayton Hollow									25.79	12.30		-4.0

OTTER TAIL POWER COMPANY

Proposed Parameters
Vintage Group Procedure

Statement F

Account Description A	Present Parameters					Proposed Parameters						
	B P-Life/ AYFR	C Curve Shape	D VG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
Taplin Gorge												
331.00 Structures and Improvements	2021	200-SC	72.98	13.23			2021	200-SC	73.13	12.27		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	40.58	13.25			2021	200-SC	40.64	12.29		
333.00 Water Wheels, Turbines & Generators	2021	200-SC	80.43	13.22			2021	200-SC	80.60	12.26		
334.00 Accessory Electric Equipment	2021	200-SC	44.53	13.25			2021	200-SC	44.60	12.29		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	24.45	13.27			2021	200-SC	24.48	12.30		
Total Taplin Gorge									39.23	12.29		
Bemidji												
331.00 Structures and Improvements	2021	200-SC	20.59	13.27			2021	200-SC	15.78	12.30		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	37.98	13.26	-0.9		2021	200-SC	38.02	12.29	-0.9	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	21.99	13.27			2021	200-SC	19.49	12.30		
334.00 Accessory Electric Equipment	2021	200-SC	69.19	13.23			2021	200-SC	69.34	12.27		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	50.12	13.25	-10.1		2021	200-SC	50.20	12.28	-10.1	
Total Bemidji									22.40	12.30	-0.3	
OTHER PRODUCTION												
Jamestown												
341.00 Structures and Improvements			31.30	11.33	-0.7	-0.6			31.35	10.35	-0.7	-0.6
342.00 Fuel Holders and Accessories			34.00	11.32	-2.4	-0.6			33.88	10.35	-2.4	-0.6
343.00 Prime Movers			34.31	11.32	-0.9	-0.6			30.65	10.35	-2.1	-0.6
344.00 Generators												
345.00 Accessory Electric Equipment			30.25	11.33	0.2	-0.6			30.25	10.36	0.2	-0.6
346.00 Miscellaneous Power Plant Equipment			32.12	11.33	-0.6	-0.6			21.17	10.36	-0.6	-0.6
Total Jamestown									30.60	10.35	-2.0	-0.6
Jamestown Unit 1												
341.00 Structures and Improvements	2019	200-SC	32.35	11.33	-0.7	-0.6	2019	200-SC	32.40	10.35	-0.7	-0.6
342.00 Fuel Holders and Accessories	2019	200-SC	35.26	11.32	-0.6	-0.6	2019	200-SC	35.32	10.35	-0.6	-0.6
343.00 Prime Movers	2019	200-SC	35.94	11.32	-0.4	-0.6	2019	200-SC	27.71	10.36	-3.3	-0.6
344.00 Generators												
345.00 Accessory Electric Equipment	2019	200-SC	41.34	11.32	1.5	-0.6	2019	200-SC	41.42	10.35	1.5	-0.6
346.00 Miscellaneous Power Plant Equipment	2019	200-SC	31.55	11.33	-0.6	-0.6	2019	200-SC	18.34	10.36	-0.6	-0.6
Total Jamestown Unit 1									28.15	10.36	-2.9	-0.6

OTTER TAIL POWER COMPANY

Proposed Parameters
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Statement F

Account Description A	Present Parameters					Proposed Parameters						
	B P-Life/ AYFR	C Curve Shape	D VG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
Jamestown Unit 2												
341.00 Structures and Improvements	2019	200-SC	20.63	11.33	-0.6	-0.6	2019	200-SC	20.65	10.36	-0.6	-0.6
342.00 Fuel Holders and Accessories	2019	200-SC	28.34	11.32	-4.5	-0.6	2019	200-SC	27.62	10.35	-4.5	-0.6
343.00 Prime Movers	2019	200-SC	33.30	11.32	-1.2	-0.6	2019	200-SC	33.33	10.35	-1.2	-0.6
344.00 Generators												
345.00 Accessory Electric Equipment	2019	200-SC	26.29	11.33	-0.5	-0.6	2019	200-SC	26.28	10.36	-0.5	-0.6
346.00 Miscellaneous Power Plant Equipment	2019	200-SC	32.97	11.33	-0.6	-0.6	2019	200-SC	33.03	10.35	-0.6	-0.6
Total Jamestown Unit 2									33.10	10.35	-1.4	-0.6
Lake Preston												
341.00 Structures and Improvements	2019	200-SC	38.96	11.32	-0.9	-0.9	2019	200-SC	39.03	10.35	-0.9	-0.9
342.00 Fuel Holders and Accessories	2019	200-SC	38.80	11.32	-0.9	-0.9	2019	200-SC	38.88	10.35	-0.9	-0.9
343.00 Prime Movers	2019	200-SC	35.04	11.32	-1.0	-0.9	2019	200-SC	35.09	10.35	-1.0	-0.9
344.00 Generators												
345.00 Accessory Electric Equipment	2019	200-SC	38.42	11.32	-0.9	-0.9	2019	200-SC	38.47	10.35	-0.9	-0.9
346.00 Miscellaneous Power Plant Equipment	2019	200-SC	34.58	11.32	-0.5	-0.9	2019	200-SC	34.71	10.35	9.5	-0.9
Total Lake Preston									35.75	10.35	-0.9	-0.9
Ashtabula Wind Generation												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories												
343.00 Prime Movers							25	S5	25.00	24.50		
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total Ashtabula Wind Generation									25.00	24.50		
Langdon Wind Generation												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories												
343.00 Prime Movers							25	S5	25.00	23.50		
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total Langdon Wind Generation									25.00	23.50		

OTTER TAIL POWER COMPANY

Proposed Parameters
Vintage Group Procedure

Statement F

Account Description A	Present Parameters					Proposed Parameters						
	B P-Life/ AYFR	C Curve Shape	D VG ASL	E Rem. Life	F Avg. Sal.	G Fut. Sal.	H P-Life/ AYFR	I Curve Shape	J VG ASL	K Rem. Life	L Avg. Sal.	M Fut. Sal.
Solway Combustion Turbine												
341.00 Structures and Improvements	2038	200-SC	33.49	29.32	-0.1	-0.1	2038	200-SC	33.44	28.40	-0.1	-0.1
342.00 Fuel Holders and Accessories	2038	200-SC	33.21	29.33	-0.1	-0.1	2038	200-SC	33.22	28.40	-0.1	-0.1
343.00 Prime Movers	2038	200-SC	33.49	29.32	-0.1	-0.1	2038	200-SC	33.48	28.40	-0.1	-0.1
344.00 Generators												
345.00 Accessory Electric Equipment	2038	200-SC	33.49	29.32	-0.1	-0.1	2038	200-SC	33.51	28.40	-0.1	-0.1
346.00 Miscellaneous Power Plant Equipment	2038	200-SC	32.53	29.33	-0.1	-0.1	2038	200-SC	32.54	28.40	-0.1	-0.1
Total Solway Combustion Turbine									33.46	28.40	-0.1	-0.1
Fergus Falls Control Center												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories	2030	200-SC	33.66	21.85	0.6		2030	200-SC	33.70	20.90	0.6	
343.00 Prime Movers												
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
Total Fergus Falls Control Center									33.70	20.90	0.6	

OTTER TAIL POWER COMPANY
Plant Activity for 2008

Statement G

Account Description A	Beginning Balance B	Additions C	Retirements D	Adjustments E	Transfers F	Ending Balance G
STEAM PRODUCTION						
311.00 Structures and Improvements	\$ 59,036,779	\$ 811,947	\$ 14,385			\$ 59,834,341
312.00 Boiler Plant Equipment	185,525,083	7,409,625	1,197,656			191,737,051
314.00 Turbo Generator Units	58,920,095	376,292	2,395,364			56,901,023
315.00 Accessory Electric Equipment	19,020,077	73,614	3,737			19,089,954
316.00 Misc. Power Plant Equipment	5,155,245	151,770	50,926			5,256,090
Total Steam Production	\$ 327,657,279	\$ 8,823,248	\$ 3,662,068			\$ 332,818,460
HYDRAULIC PRODUCTION						
331.00 Structures and Improvements	\$ 188,391	\$ 52,943				\$ 241,334
332.00 Reservoirs, Dams and Waterways	1,452,889	167,857	7,578			1,613,167
333.00 Water Wheels, Turbines and Gen.	917,117	59,384				976,500
334.00 Accessory Electric Equipment	478,134					478,134
335.00 Misc. Power Plant Equipment	147,893					147,893
Total Hydraulic Production	\$ 3,184,423	\$ 280,183	\$ 7,578			\$ 3,457,029
OTHER PRODUCTION						
341.00 Structures and Improvements	\$ 4,609,976	\$ 41,500	\$ 8,000			\$ 4,643,476
342.00 Fuel Holders and Accessories	1,547,235					1,547,235
343.00 Prime Movers	30,971,081	573,875	82,766			31,462,191
344.00 Generators	65,000,000	128,123,849				193,123,849
345.00 Accessory Electric Equipment	1,594,132					1,594,132
346.00 Misc. Power Plant Equipment	397,248	24,774	3,536			418,486
Total Other Production	\$ 104,119,672	\$128,763,998	\$ 94,302			\$ 232,789,368
TRANSMISSION PLANT						
353.00 Station Equipment	\$ 55,443,997	\$ 7,915,842	\$ 339,167		\$ (451,217)	\$ 62,569,455
354.00 Towers and Fixtures	4,692,263					4,692,263
355.00 Poles and Fixtures	67,062,850	9,552,422	194,311			76,420,961
356.00 Overhead Conductors and Devices	63,948,125	3,107,667	169,838			66,885,954
358.00 Underground Conductors and Devices	70,010	10,627				80,637
Total Transmission Plant	\$ 191,217,245	\$ 20,586,558	\$ 703,316		\$ (451,217)	\$ 210,649,270

OTTER TAIL POWER COMPANY
Plant Activity for 2008

Statement G

Account Description A	Beginning				Retirements D	Adjustments E	Transfers F	Ending Balance G
	Balance B	Additions C						
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 45,034,317	\$ 5,210,969	\$ 587,924	\$ 412,602	\$	\$	\$ 50,069,964	
364.00 Poles, Towers and Fixtures	54,068,827	2,199,448	80,105	(7,200)			56,188,170	
365.00 Overhead Conductors and Devices	41,998,498	1,308,066	161,104	(10,879)			43,138,260	
366.00 Underground Conduit	10,879							
367.00 Underground Conductors and Devices	51,499,986	2,972,616	209,566				54,263,037	
368.00 Line Transformers	53,601,585	6,003,190	483,256	56,694			59,178,214	
369.00 Overhead Services	10,608,168	405,342	18,853				10,994,656	
369.10 Underground Services	27,660,965	1,551,487	22,079				29,190,373	
370.00 Meters	19,758,102	1,214,319	742,355				20,230,067	
370.10 Load Management Switches	8,736,815		21,338				8,715,476	
370.20 Interruption Monitors	591,169	624,779	591,169				624,779	
371.20 Other Private Lighting	3,688,552	210,857	123,885				3,775,524	
373.00 Street Lighting and Signal Systems	4,185,545	266,109	110,069				4,341,586	
Total Distribution Plant	\$ 321,443,409	\$ 21,967,182	\$ 3,151,703	\$ 451,217	\$	\$	\$ 340,710,106	
GENERAL PLANT								
390.00 Structures and Improvements	\$ 16,748,857	\$ 2,375,007	\$ 130,719	\$	\$	\$	\$ 18,993,146	
390.10 General Office Buildings	5,589,314	50,469	19,322				5,620,460	
390.20 Fleet Service Center Buildings	789,745						789,745	
390.30 Central Stores Building	3,888,943						3,888,943	
391.00 Office Furniture	2,490,232	102,235	218,369				2,374,098	
391.10 Office Equipment	982,607	59,655	41,673				1,000,588	
391.20 Duplicating Equipment	1,152,603	11,857	4,208				1,160,253	
391.50 Computer Systems	1,494,150	54,761	21,578				1,527,333	
391.60 Computer Related Equipment	1,728,867	183,530	76,113				1,836,284	

OTTER TAIL POWER COMPANY
Plant Activity for 2008

Statement G

Account Description A	Beginning Balance B	Additions C	Retirements D	Adjustments E	Transfers F	Ending Balance G
393.00 Stores Equipment	546.00		546.00			2,959,034
394.00 Tools, Shop and Garage Equipment	2,914,719	308,887	235,053		(29,519)	1,093,497
394.20 Automated Meter Reading Equipment	1,093,497					249,168
395.00 Laboratory Equipment	375,625		126,457			553,468
396.00 Power Operated Equipment	496,190	35,288	59,735		81,725	604,294
397.00 Communication Equipment	499,195	150,524	45,425			928,324
397.10 Radio Telecommunications Equipment	888,717	129,200	89,593			2,643,654
397.20 Microwave Equipment	2,436,920	209,646	2,911			135,027
397.30 Radio Load Control Equipment	135,027					1,486,754
397.40 Communication Equipment - Towers	1,262,172	224,582				
Total General Plant	\$ 44,967,926	\$ 3,895,641	\$ 1,071,703		\$ 52,207	\$ 47,844,071
TOTAL DEPRECIABLE PLANT	\$ 992,589,955	\$184,316,812	\$ 8,690,669		\$ 52,207	\$ 1,168,268,304

Statement H

OTTER TAIL POWER COMPANY
Analysis of Depreciation Reserve for 2008

Account Description A	Beginning Balance B	Credits C			Debits E			Other Credits (Debits) G	Ending Balance H
		Accruals	Gross Salvage	Retirements	Cost of Removal	Other Credits (Debits)			
STEAM PRODUCTION									
311.00 Structures and Improvements	\$ 42,554,828	\$ 1,159,146	\$ 14,385	\$ 1,772	\$ (116,591)	\$ 43,581,227			
312.00 Boiler Plant Equipment	110,152,150	5,705,139	61,949	462,120	(457,794)	113,781,668			
314.00 Turbo Generator Units	31,765,563	2,107,718	94,887	119,462	394,720	31,848,062			
315.00 Accessory Electric Equipment	13,581,439	398,903	3,737	1,609	11,936	13,986,932			
316.00 Misc. Power Plant Equipment	2,686,487	190,402	9,387	1,011	167,729	3,002,069			
Total Steam Production	\$ 200,740,468	\$ 9,561,307	\$ 166,222	\$ 3,662,068	\$ 605,974	\$ 206,199,957			
HYDRAULIC PRODUCTION									
331.00 Structures and Improvements	\$ 138,356	\$ 3,519			\$ (2,668)	\$ 139,207			
332.00 Reservoirs, Dams and Waterways	1,108,530	24,234	7,578	6,500	214	1,118,899			
333.00 Water Wheels, Turbines and Gen.	277,462	44,951			1,832	324,245			
334.00 Accessory Electric Equipment	169,611	21,681			751	192,043			
335.00 Misc. Power Plant Equipment	83,724	4,509			(129)	88,104			
Total Hydraulic Production	\$ 1,777,683	\$ 98,894	\$ -	\$ 7,578	\$ 6,500	\$ 1,862,499			
OTHER PRODUCTION									
341.00 Structures and Improvements	\$ 933,326	\$ 127,206	\$ 8,000	\$ 366	\$ 7,741	\$ 1,059,907			
342.00 Fuel Holders and Accessories	547,369	39,525			3,129	590,023			
343.00 Prime Movers	10,172,207	823,608	82,766	104,615	(15,177)	10,793,258			
344.00 Generators		3,414,808				3,414,808			
345.00 Accessory Electric Equipment	442,179	42,170			2,814	487,163			
346.00 Misc. Power Plant Equipment	98,283	11,288	2,500	3,536	1,493	110,028			
Total Other Production	\$ 12,193,364	\$ 4,458,604	\$ 2,500	\$ 94,302	\$ 104,981	\$ 16,455,186			
TRANSMISSION PLANT									
353.00 Station Equipment	\$ 21,359,674	\$ 1,208,871	\$ 24,080	\$ 339,167	\$ (86,951)	\$ 22,102,633			
354.00 Towers and Fixtures	2,569,347	89,664	16,912	194,311	(43,776)	2,615,236			
355.00 Poles and Fixtures	30,430,712	1,461,699	11,157	169,838	241,259	31,628,604			
356.00 Overhead Conductors and Devices	23,735,495	1,213,018	11,157	210,902	(172,184)	24,406,746			
358.00 Underground Conductors and Devices	53,543	1,929	52,148	703,316	(514)	54,958			
Total Transmission Plant	\$ 78,148,772	\$ 3,975,182	\$ 52,148	\$ 703,316	\$ (62,166)	\$ 80,808,178			
DISTRIBUTION PLANT									
362.00 Station Equipment	\$ 13,823,718	\$ 1,231,638	\$ 527,649	\$ 587,924	\$ 103,300	\$ 15,547,607			
364.00 Poles, Towers and Fixtures	24,311,427	1,352,251	115,581	80,105	185,684	25,718,447			
365.00 Overhead Conductors and Devices	18,434,963	1,008,658	251,866	161,104	179,206	19,547,305			

Statement H

OTTER TAIL POWER COMPANY
Analysis of Depreciation Reserve for 2008

Account Description	Credits			Debits			Ending Balance
	Beginning Balance	Accruals	Gross Salvage	Retirements	Cost of Removal	Other Credits (Debits)	
A	B	C	D	E	F	G	H
366.00 Underground Conduit	5,165	154				(5,318)	
367.00 Underground Conductors and Devices	20,804,107	1,530,619	6,249	209,566	15,302	430,273	22,546,379
368.00 Line Transformers	23,297,942	1,366,332	305,526	483,256	199,608	50,913	24,337,850
369.00 Overhead Services	8,878,270	428,296		18,853	55,504	(87,084)	9,145,125
369.10 Underground Services	11,945,172	867,970		22,079		(4,408)	12,786,655
370.00 Meters	7,778,511	509,439	2,930	742,355	96	(761,263)	6,787,166
370.10 Load Management Switches	1,889,649	411,031		21,338	46	(587,781)	1,691,514
370.20 Interruption Monitors	294,179	66,619		591,169		(75,979)	(306,351)
371.20 Other Private Lighting	1,223,019	167,407	16,212	123,885	5,359	7,816	1,285,210
373.00 Street Lighting and Signal Systems	2,243,994	249,181	3,707	110,069	8,042	42,063	2,420,834
Total Distribution Plant	\$ 134,930,117	\$ 9,189,594	\$ 1,229,719	\$ 3,151,703	\$ 752,147	\$ 62,161	\$ 141,507,742
GENERAL PLANT							
390.00 Structures and Improvements	\$ 3,314,216	\$ 364,539		\$ 130,719		\$ 73,323	\$ 3,621,358
390.10 General Office Buildings	2,252,784	252,867		19,322		(145,823)	2,340,506
390.20 Fleet Service Center Buildings	325,467	35,133				3,339	363,938
390.30 Central Stores Building	1,406,538	109,583				(13,313)	1,502,807
391.00 Office Furniture	1,521,781	165,195		218,369		24,181	1,492,788
391.10 Office Equipment	424,902	99,007		41,673		(24,753)	457,483
391.20 Duplicating Equipment	565,246	115,225		4,208		4,923	681,187
391.50 Computer Systems	374,726	294,905		21,578		55,657	703,710
391.60 Computer Related Equipment	834,397	346,154		76,113		(13,778)	1,090,660
393.00 Stores Equipment	(958)	3		546		761	(740)
394.00 Tools, Shop and Garage Equipment	1,466,781	194,421		235,053		(26,798)	1,399,352
394.20 Automated Meter Reading Equipment	399,412	72,900					472,312
395.00 Laboratory Equipment	328,205	23,819					229,312
396.00 Power Operated Equipment	195,770	37,406	26,200	126,457		3,745	240,106
397.00 Communication Equipment	323,889	33,656		59,735		40,464	313,679
397.10 Radio Telecommunications Equipment	453,853	88,937		45,425		1,559	460,481
397.20 Microwave Equipment	867,263	162,461		2,911		(205)	1,026,608
397.30 Radio Load Control Equipment	54,064	13,503				1,122	68,689
397.40 Communication Equipment - Towers	530,486	65,354				10,487	606,327
Total General Plant	\$ 15,638,821	\$ 2,475,069	\$ 26,200	\$ 1,071,703	\$ -	\$ 2,175	\$ 17,070,562
TOTAL DEPRECIABLE PLANT	\$ 443,429,226	\$ 29,758,651	\$ 1,476,790	\$ 8,690,669	\$ 2,072,043	\$ 2,170	\$ 463,904,124

OTTER TAIL POWER COMPANY
 Summary of Annual Depreciation Accruals for 2008

Statement I

Account Description	A	Beginning Plant Balance	B	Est. Future Net Salvage Percent	C	D	E	F	G	H	I	J
STEAM PRODUCTION												
311.00 Structures and Improvements		\$ 59,036,779	\$ (1,830,140)	-3.1%	\$ 42,554,828	\$ 18,312,091	15.51	\$ 1,180,664	2.00%			
312.00 Boiler Plant Equipment		185,925,083	(6,493,378)	-3.5%	110,152,150	81,866,310	14.68	5,576,724	3.01%			
314.00 Turbo Generator Units		58,920,095	(2,415,724)	-4.1%	31,765,563	29,570,255	14.03	2,107,645	3.58%			
315.00 Accessory Electric Equipment		19,020,077	(627,663)	-3.3%	13,581,439	6,066,300	14.91	406,861	2.14%			
316.00 Misc. Power Plant Equipment		5,155,245	(190,744)	-3.7%	2,686,487	2,659,502	13.93	190,919	3.70%			
Total Steam Production		\$ 327,657,279	\$ (11,557,649)	-3.5%	\$ 200,740,468	\$ 138,474,459	14.63	\$ 9,462,813	2.89%			
HYDRAULIC PRODUCTION												
331.00 Structures and Improvements		\$ 188,391	\$ -		\$ 138,356	\$ 50,035	14.22	\$ 3,519	1.87%			
332.00 Reservoirs, Dams and Waterways		1,452,889			1,108,530	344,359	14.21	24,234	1.67%			
333.00 Water Wheels, Turbines and Gen.		917,117			277,462	639,655	14.23	44,951	4.90%			
334.00 Accessory Electric Equipment		478,134			169,611	308,523	14.23	21,681	4.53%			
335.00 Misc. Power Plant Equipment		147,893			83,724	64,168	14.23	4,509	3.05%			
Total Hydraulic Production		\$ 3,184,423	\$ -		\$ 1,777,683	\$ 1,406,741	14.22	\$ 98,894	3.11%			
OTHER PRODUCTION												
341.00 Structures and Improvements		\$ 4,609,976	\$ -		\$ 933,326	\$ 3,676,650	28.57	\$ 128,689	2.79%			
342.00 Fuel Holders and Accessories		1,547,235			547,369	999,866	24.33	41,096	2.66%			
343.00 Prime Movers		30,971,081			10,172,207	20,798,873	24.73	841,038	2.72%			
344.00 Generators		65,000,000				65,000,000	24.50	2,653,061	4.08%			
345.00 Accessory Electric Equipment		1,594,132			442,179	1,151,953	26.65	43,225	2.71%			
346.00 Misc. Power Plant Equipment		397,248			98,283	298,965	26.13	11,441	2.88%			
Total Other Production		\$ 104,119,672	\$ -		\$ 12,193,364	\$ 91,926,308	24.72	\$ 3,718,561	3.57%			
TRANSMISSION PLANT												
353.00 Station Equipment		\$ 55,443,997	(2,772,200)	-5.0%	\$ 21,359,674	\$ 36,856,522	45.00	\$ 1,185,478	2.14%			
354.00 Towers and Fixtures		4,692,263	(469,226)	-10.0%	2,569,347	2,592,142	55.00	89,662	1.91%			
355.00 Poles and Fixtures		67,062,850	(16,765,712)	-25.0%	30,430,712	53,397,850	55.00	1,431,578	2.13%			
356.00 Overhead Conductors and Devices		63,948,125	(6,394,812)	-10.0%	23,735,495	46,607,442	55.00	1,192,006	1.86%			
358.00 Underground Conductors and Devices		70,010	(3,501)	-5.0%	53,543	19,968	11.53	1,732	2.47%			
Total Transmission Plant		\$ 191,217,245	\$ (26,405,452)	-13.8%	\$ 78,148,772	\$ 139,473,925	35.76	\$ 3,900,457	2.04%			
DISTRIBUTION PLANT												
362.00 Station Equipment		\$ 45,034,317	\$ 2,251,716	5.0%	\$ 13,823,718	\$ 28,958,883	35.00	\$ 1,181,995	2.62%			
364.00 Poles, Towers and Fixtures		54,068,827	(27,034,413)	-50.0%	24,311,427	56,791,813	60.00	1,333,767	2.47%			
365.00 Overhead Conductors and Devices		41,998,498	(16,799,399)	-40.0%	18,434,963	40,362,935	58.00	1,002,059	2.39%			
366.00 Underground Conduit		10,879			5,165	5,714	20.00	205	1.88%			
367.00 Underground Conductors and Devices		51,499,986	(2,574,999)	-5.0%	20,804,107	33,270,879	35.00	1,499,364	2.91%			
368.00 Line Transformers		53,601,585	(2,680,079)	-5.0%	23,297,942	32,983,722	40.00	24,96	2.47%			
369.00 Overhead Services		10,608,168	(10,608,168)	-100.0%	8,878,270	12,338,065	48.00	28,88	4.03%			
369.10 Underground Services		27,660,965	(8,288,289)	-30.0%	11,945,172	24,014,082	40.00	864,127	3.12%			

Statement I

OTTER TAIL POWER COMPANY
Summary of Annual Depreciation Accruals for 2008

Account Description	Beginning Plant		Est. Future Net Salvage Percent	D	E	F=B-D-E	G	H	I=F/H	J=I/B
	Balance	Balance								
370.00 Meters	19,758,102	7,778,511				11,979,591	33.00	23.92	500,819	2.53%
370.10 Load Management Switches	8,736,815	1,889,649				6,847,166	20.00	16.64	411,488	4.71%
370.20 Interruption Monitors	591,169	294,179				296,991	9.00	6.52	45,551	7.71%
371.20 Other Private Lighting	3,688,552	1,223,019	10.0%	368,855		2,096,678	19.00	12.64	165,876	4.50%
373.00 Street Lighting and Signal Systems	4,185,545	2,243,994	-5.0%	(209,277)		2,150,828	16.00	8.74	246,090	5.88%
Total Distribution Plant	\$ 321,443,409	\$ 134,930,117	-20.4%	\$ (65,584,054)	\$ 134,930,117	\$ 252,097,347		28.01	\$ 9,000,023	2.80%
GENERAL PLANT										
390.00 Structures and Improvements	\$ 16,748,857	\$ 3,314,216	10.0%	\$ 1,674,886	\$	\$ 11,759,756	45.00	32.30	\$ 364,079	2.17%
390.10 General Office Buildings	5,589,314	2,252,784	-0.2%	(11,179)		3,347,708		13.26	252,467	4.52%
390.20 Fleet Service Center Buildings	789,745	325,467	-0.2%	(1,579)		465,858		13.26	35,133	4.45%
390.30 Central Stores Building	3,888,943	1,406,538	-0.3%	(11,667)		2,494,072		22.76	109,581	2.82%
391.00 Office Furniture*	2,490,232	1,521,781				968,452	15.00			
391.10 Office Equipment*	982,607	424,902				557,705	10.00			
391.20 Duplicating Equipment*	1,152,603	565,246				587,357	10.00			
391.50 Computer Systems*	1,494,150	374,726				1,119,424	5.00			
391.60 Computer Related Equipment*	1,728,867	834,397				894,470	5.00			
393.00 Stores Equipment*	546	(958)				1,504	15.00			
394.00 Tools, Shop and Garage Equipment*	2,914,719	1,466,781				1,447,938	15.00			
394.20 Automated Meter Reading Equipment*	1,093,497	399,412				694,085	15.00			
395.00 Laboratory Equipment*	375,625	328,205				47,420	15.00			
396.00 Power Operated Equipment	496,190	195,770	20.0%	99,238		201,182	15.00	5.52	36,446	7.35%
397.00 Communication Equipment*	499,195	323,889				175,307	15.00			
397.10 Radio Telecommunications Equipment*	888,717	453,853				434,865	10.00			
397.20 Microwave Equipment*	2,436,920	867,263				1,569,657	15.00			
397.30 Radio Load Control Equipment*	135,027	54,064				80,963	10.00			
397.40 Communication Equipment - Towers	1,262,172	530,486	5.0%	63,109		668,577	25.00	10.23	65,355	5.18%
Total General Plant	\$ 44,967,926	\$ 15,638,821	4.0%	\$ 1,812,807	\$ 15,638,821	\$ 27,516,298		31.88	\$ 863,060	1.92%
TOTAL DEPRECIABLE PLANT	\$ 992,589,955	\$ 443,429,226	-10.2%	\$ (101,734,347)	\$ 443,429,226	\$ 650,895,076		24.07	\$ 27,043,797	2.72%

*Amortization Account. (Col. I = Col. B / Col. G)

**OTTER TAIL POWER COMPANY
2009 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2010**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
STEAM PRODUCTION				
<u>Big Stone</u>				
311-101	Structures & Improvements	15.18	-8.8%	
312-101	Boiler Plant Equipment	15.19	-8.8%	
314-101	Turbogenerator Units	15.19	-8.8%	
315-101	Accessory Electric Equipment	15.18	-8.8%	
316-101	Misc. Power Plant Equipment	15.19	-8.6%	
<u>Hoot Lake - Units 2 & 3</u>				
311-102	Structures & Improvements	10.35	-11.2%	
312-102	Boiler Plant Equipment	10.36	-11.2%	
314-102	Turbogenerator Units	10.35	-11.2%	
315-102	Accessory Electric Equipment	10.35	-11.2%	
316-102	Misc. Power Plant Equipment	10.36	-11.1%	
<u>Coyote</u>				
311-103	Structures & Improvements	19.94	-5.0%	
312-103	Boiler Plant Equipment	19.94	-5.0%	
314-103	Turbogenerator Units	19.95	-5.0%	
315-103	Accessory Electric Equipment	19.94	-5.0%	
316-103	Misc. Power Plant Equipment	19.96	-4.7%	
HYDRAULIC PRODUCTION				
<u>Hoot Lake Hydro Unit</u>				
331-131	Structures & Improvements	12.28	0.0%	
332-131	Reservoirs, Dams & Waterways	12.28	0.0%	
333-131	Water Wheels, Turbines & Gen.	12.29	0.0%	
334-131	Accessory Electric Equipment	12.30	0.0%	
<u>Wright Hydro Unit</u>				
331-132	Structures & Improvements	12.29	0.0%	
332-132	Reservoirs, Dams & Waterways	12.30	0.0%	
333-132	Water Wheels, Turbines & Gen.	12.30	0.0%	
334-132	Accessory Electric Equipment	12.30	0.0%	
335-132	Misc. Power Plant Equipment	12.29	0.0%	
<u>Pisgah Hydro Unit</u>				
331-133	Structures & Improvements	12.29	0.0%	
332-133	Reservoirs, Dams & Waterways	12.28	0.0%	
333-133	Water Wheels, Turbines & Gen.	12.30	0.0%	
334-133	Accessory Electric Equipment	12.30	0.0%	
335-133	Misc. Power Plant Equipment	12.30	0.0%	
<u>Dayton Hollow Hydro Unit</u>				
331-134	Structures & Improvements	12.29	0.0%	
332-134	Reservoirs, Dams & Waterways	12.29	0.0%	
333-134	Water Wheels, Turbines & Gen.	12.30	0.0%	
334-134	Accessory Electric Equipment	12.30	0.0%	
335-134	Misc. Power Plant Equipment	12.30	0.0%	
<u>Taplin Gorge Hydro Unit</u>				
331-135	Structures & Improvements	12.27	0.0%	
332-135	Reservoirs, Dams & Waterways	12.29	0.0%	
333-135	Water Wheels, Turbines & Gen.	12.26	0.0%	

**OTTER TAIL POWER COMPANY
2009 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION
PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2010**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
334-135	Accessory Electric Equipment	12.29	0.0%	
335-135	Misc. Power Plant Equipment	12.30	0.0%	
<u>Bemidji Hydro Unit</u>				
331-138	Structures & Improvements	12.30	0.0%	
332-138	Reservoirs, Dams & Waterways	12.29	0.0%	
333-138	Water Wheels, Turbines & Gen.	12.30	0.0%	
334-138	Accessory Electric Equipment	12.27	0.0%	
335-138	Misc. Power Plant Equipment	12.28	0.0%	
OTHER PRODUCTION				
<u>Jamestown Unit 1</u>				
341-140	Structures & Improvements	10.35	-0.6%	
342-140	Fuel Holders & Accessories	10.35	-0.6%	
343-140	Prime Movers	10.36	-0.6%	
345-140	Accessory Electric Equipment	10.35	-0.6%	
346-140	Misc. Power Plant Equipment	10.36	-0.6%	
<u>Jamestown Unit 2</u>				
341-142	Structures & Improvements	10.36	-0.6%	
342-142	Fuel Holders & Accessories	10.35	-0.6%	
343-142	Prime Movers	10.35	-0.6%	
345-142	Accessory Electric Equipment	10.36	-0.6%	
346-142	Misc. Power Plant Equipment	10.35	-0.6%	
<u>Lake Preston</u>				
341-141	Structures & Improvements	10.35	-0.9%	
342-141	Fuel Holders & Accessories	10.35	-0.9%	
343-141	Prime Movers	10.35	-0.9%	
345-141	Accessory Electric Equipment	10.35	-0.9%	
346-141	Misc. Power Plant Equipment	10.35	-0.9%	
<u>Fergus Falls Control Center</u>				
343-143	Prime Movers	20.90	0.0%	
<u>Solway Combustion Turbine Plant</u>				
341-144	Structures & Improvements	28.40	-0.1%	
342-144	Fuel Holders & Accessories	28.40	-0.1%	
343-144	Prime Movers	28.40	-0.1%	
345-144	Accessory Electric Equipment	28.40	-0.1%	
346-144	Misc. Power Plant Equipment	28.40	-0.1%	
<u>Langdon Wind Energy Center</u>				
341-160	Structures & Improvements	23.50	0.0%	
344-160	Generators	23.50	0.0%	
345-160	Accessory Electric Equipment	23.50	0.0%	
<u>Ashtabula Wind Energy Center</u>				
341-161	Structures & Improvements	24.50	0.0%	
344-161	Generators	24.50	0.0%	
345-161	Accessory Electric Equipment	24.50	0.0%	
<u>Luverne Wind Energy Center</u>				
341-162	Structures & Improvements	25.00	0.0%	

**OTTER TAIL POWER COMPANY
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PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2010**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
344-162	Generators	25.00	0.0%	
345-162	Accessory Electric Equipment	25.00	0.0%	
TRANSMISSION				
353	Station Equipment	49.36	-5.0%	
354	Towers & Fixtures	41.89	-10.0%	
355	Poles & Fixtures	47.61	-50.0%	
356	Overhead Conductor & Devices	43.04	-30.0%	
358	Underground Conductor & Devices	10.48	-5.0%	
DISTRIBUTION				
362	Station Equipment	28.13	5.0%	
364	Poles, Towers & Fixtures	47.02	-75.0%	
365	Overhead Conductor & Devices	40.45	-100.0%	
367	Underground Conductor & Devices	21.27	-5.0%	
368	Line Transformers	23.90	50.0%	
369	Overhead Services	30.41	-150.0%	
369.1	Underground Services	32.10	-20.0%	
370	Meters	21.94	0.0%	
370.1	Load Management Switches	11.16	0.0%	
370.20	Interruption Monitors			5
371.20	Other Private Lighting	16.61	10.0%	
373	Street Lighting & Signal System	10.30	-5.0%	
GENERAL PLANT				
Depreciable				
390	Structures & Improvements	37.48	10.0%	
390.1	General Office Buildings	20.89	-5.0%	
390.2	Fleet Service Center Buildings	16.14	-5.0%	
390.3	Central Stores Building	25.56	-5.0%	
396	Power Operated Equipment	16.72	5.0%	
397.4	Communication Towers	16.10	5.0%	
Amortizable				
391	Office Furniture			15
391.1	Office Equipment			10
391.2	Duplicating Equipment			10
391.5	Computer Systems			5
391.6	Computer Related Equipment			5
394	Tools, Shop & Garage Equipment			15
394.2	Automated Meter Reading Equip.			15
395	Laboratory Equipment			15
397	Communication Equipment			15
397.1	Radio Telecom Equipment			10
397.2	Microwave Equipment			15
397.3	Radio Load Control Equipment			10

Source is Statement A from Foster Report

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Future Additions and Retirements

As indicated at the bottom of Page 4 in the 2009 Technical Update (Annual Review): “Minnesota State Agency Rules 7825.0700, Subpart 2-B provides that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results.” The Company is unaware of any major future additions or retirements that would materially affect the current certification results with the exception of a wind generation project that is currently under construction, the Luverne Wind Center located in east-central North Dakota.

The entire 169.5 megawatt Luverne Wind Farm will consist of 113 wind turbines of which Otter Tail will own 49.5 megawatts or 33 turbines. NextEra Energy Resources, LLC, an affiliate of FPL Group will operate the center in conjunction with its remaining ownership interest. The center is expected to be commercially operational in late 2009. Much like the last two years’ filings we are requesting depreciation certification for these new wind generation assets using a 25-year life and zero salvage. Otter Tail has less than two years of history in owning wind generation and there is limited history for regulated wind generation. Based on discussions with other regulated electrical industry players who already have or soon will have wind generation, we believe it is reasonable to request a 25-year life with zero salvage value.

It is the Company’s practice to also discuss potential *future* additions and retirements that may have a material effect on *future* depreciation expense or *future* certification results. Last year’s five-year depreciation study provided a comprehensive analysis of such issues and included an update on a variety of topics.

On July 1, 2005, the Company filed its latest Resource Plan (Docket No. E017/RP-05-968), which provided information on our plans for future generation (see Attachment 4 for a reconciliation between the Resource Plan and this depreciation filing). The initial Resource Plan filing has been updated twice, in October 2006 and in January 2008, to reflect changes in cost and timing of future resources. The Resource plan, including the updates, was approved on March 18, 2009 and indicates a new Big Stone II baseload resource to be added in the future. Otter Tail’s share of this jointly owned facility would be approximately 120 MW. Because these efforts are still in the permitting and planning stage, they will not impact current depreciation results.

The Company continues to explore other wind generation projects that could materialize in future years. These may or may not come to fruition depending on many factors including the outcome of future federal government policy decisions.

As indicated in last year’s depreciation filing, the trend continues for steam plant depreciation. As we approach the latter portion of a steam plant’s forecasted service life, the impact on depreciation expense due to new additions grows exponentially. The additions are still necessary

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in order to achieve the current forecasted retirement date. However the recovery period (remaining life) declines each year, such that the later life additions result in a larger remaining life depreciation expense. The Company continues to evaluate the condition of its existing steam and peaking plants and the related costs to continue operation of these plants past their current service lives designated for accounting purposes. This will be addressed in the Company's next Integrated Resource Plan (IRP) filing. In conjunction with the steam plant depreciation expense trend and our internal generating plant evaluations, the Company has adopted a new policy this year. Each year the internal review of generating assets will determine if the assets can still be operated economically for another ten years (minimum relevant operating range). If so, a minimum life of 10 years will be used for depreciation purposes. Additionally, in recognition that major baseload generation facilities take a considerable amount of lead time and to ensure that a sizeable majority of generating assets are not retiring simultaneously, the policy maintains that a minimum of five years separation of remaining life intervals are maintained between major generating plants.

The Minnesota Public Utilities Commission (MPUC) "Order Accepting Resource Plan Change" (Docket No. E-017/RP-05-968) dated March 26, 2009, requires that: "In its first depreciation filing that includes new peaking generators, Otter Tail shall compare the last rate case's short term peaking capacity costs to the peaking capacity costs of the new generators." Because Otter Tail is still evaluating its peaking capacity options and has not made a final decision on which peaking option to pursue, there is no information to report to fulfill the requirements of the above Order.

Transmission issues continue to evolve in response to the Federal Energy Regulatory Commission (FERC) initiatives on open access and Otter Tail's related decision to join the Midwest Independent System Operator (MISO). The Company has joined with other area utilities to study future transmission needs in Minnesota (CapX 2020) and to develop coordinated solutions that may lead to significant investment. In August of 2007 the CapX utilities filed a Certificate of Need with the MPUC for three 345 KV transmission projects. The certificate of need was granted in 2009 and routing decisions are expected in 2009 or 2010. Construction of the lines is expected to be completed three or four years thereafter. Additionally as part of the CapX2020 effort, Otter Tail, along with other area utilities, filed on July 9, 2009, a Certificate of Need in Minnesota for a 230-kilovolt transmission line between Bemidji and Grand Rapids on March 17, 2008. The Certificate of need was granted. The Company and the other participating regional utilities were granted a final certificate of need and route permit in Minnesota in 2008 and a route permit in South Dakota in 2007 for Big Stone Transmission. Big Stone Transmission is a project to interconnect the Big Stone II project to the electrical system. Construction of that line is expected to be completed four years after the start of construction. Other than Big Stone Transmission and CapX2020 previously mentioned, Otter Tail has not specifically identified any other major developments for transmission property that would materially affect future depreciation certification.

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The Company is due to file its next Integrated Resource Plan (IRP) on October 6, 2009. That IRP will incorporate the future steam plant forecasted service lives included in the 2008 Depreciation Certification Study, with the exception of those facilities that incur expected licensing or operational modifications during the study period of the Resource Plan. On August 14, 2009 the Company filed a request to delay this IRP for one year.

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Comparison of Resource Plan to Annual Review

Generating Unit	Retirement Dates			Comments
	Resource Plan (2006 - 2020)	2009 Depreciation Study (Attachment No. 1)	Difference	
<u>WIND</u>				
➤ Langdon Wind Energy Center	Not specifically modeled as ownership in IRP	2033	N/A	
➤ Ashtabula Wind Energy Center	Not specifically modeled as ownership in IRP	2034	N/A	
➤ Luverne Wind Energy Center	Not specifically modeled as ownership in IRP	2035	N/A	
<u>HYDRO</u>				
(see Existing Resources 6-5)				
➤ 6 units in 5 dams on the Otter Tail River, FERC licensed	No retirement date discussed - beyond study period	2021	None	No change.
➤ 2 units on outlet of Lake Bemidji – not subject to FERC jurisdiction,	No retirement date discussed - beyond study period	2021	None	No change.
<u>PEAKING FACILITIES</u>				
(see Existing Resources 6-7)				
➤ Jamestown Combustion Turbines - 2 units	No retirement date discussed	2019	1 year	No change since previous five year study, difference not considered significant (See Note 1 below)
➤ Lake Preston Combustion Turbine	No retirement date discussed	2019	1 year	No change since previous five year study, difference not considered significant (See Note 1 below)
➤ Solway Combustion Turbine	No retirement date discussed - beyond study period	2038	N/A	No change.
➤ Fergus Control Center Diesel	No retirement date discussed - beyond study period	2030	N/A	No change.
<u>BASE LOAD RESOURCES</u>				
(see Existing Resources 6-9)				
➤ Hoot Lake Plant :				
○ Unit 1 –	Retirement at December 31, 2005	N/A, Retired December 31, 2005	None	Retirement Completed.
○ Units 2 & 3 –	Retirement at December 31, 2017	2019	2 years	2 years added
➤ Big Stone Plant	No retirement date discussed	2024	None	
➤ Coyote Station	No retirement date discussed - beyond study period	2029	None	

Note 1:

The Resource Plan (RP) filed on July 1, 2005 covers the period through the summer season of 2020, but it did not specifically address the retirements of the three peaking units or Big Stone Plant (2019 and 2020, respectively, in the then current depreciation study). The IRP is a 15-year analysis. The near term is intended to be very specific with regard to resource changes, additions, retirements, etc. The long-term is much more uncertain and identifies resources that a utility is likely to use. These facilities with an accounting retirement date at the end of the IRP period may or may not continue to operate beyond that time. It is far too early to make any decisions regarding these facilities, and attempts to study their potential retirement in the IRP would simply have complicated the critical earlier portion of the IRP period. On the other hand, the depreciation study is intended to be an exact forecast, to be used for appropriate recovery of existing investment. The IRP is far less exact in the long term. So, there is a natural potential difference between the purpose of the two filings. For the first 13 years of the 15-year planning period, the two filings are in exact agreement.

Estimated Impact on North Dakota

OTTER TAIL POWER COMPANY
 Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	North Dakota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
STEAM PRODUCTION								
311.00 Structures and Improvements	\$ 59,834,345	0.37414010	\$ 1,207,104	\$ 451,626	\$ 1,249,368	\$ 467,438	\$ 42,264	\$ 15,812
312.00 Boiler Plant Equipment	191,737,052	0.37414010	5,413,144	2,025,274	5,894,508	2,205,372	481,364	180,098
314.00 Turbogenerator Units	56,901,025	0.37414010	1,840,077	688,446	1,882,080	704,162	42,003	15,716
315.00 Accessory Electric Equipment	19,089,953	0.37414010	403,654	151,023	412,475	154,323	8,821	3,300
316.00 Miscellaneous Power Plant Equipment	5,256,089	0.37414010	171,955	64,335	177,362	66,358	5,407	2,023
Total Steam Production Plant	\$ 332,818,464		\$ 9,035,934	\$ 3,380,704	\$ 9,615,793	\$ 3,597,653	\$ 579,659	\$ 216,949
HYDRAULIC PRODUCTION								
331.00 Structures and Improvements	\$ 241,332	0.37414010	\$ 6,549	\$ 2,449	\$ 8,129	\$ 3,041	\$ 1,580	\$ 592
332.00 Reservoirs, Dams and Waterways	1,613,169	0.37414010	29,682	11,106	40,961	15,325	11,279	4,219
333.00 Water Wheels, Turbines & Generators	976,500	0.37414010	49,844	18,648	52,033	19,467	2,189	819
334.00 Accessory Electric Equipment	478,135	0.37414010	23,439	8,769	23,588	8,825	149	56
335.00 Miscellaneous Power Plant Equipment	147,893	0.37414010	4,805	1,798	4,928	1,844	123	46
Total Hydraulic Production Plant	\$ 3,457,029		\$ 114,319	\$ 42,770	\$ 129,639	\$ 48,502	\$ 15,320	\$ 5,732
OTHER PRODUCTION								
341.00 Structures and Improvements	\$ 4,643,477	0.37414010	\$ 132,923	\$ 49,732	\$ 134,391	\$ 50,281	\$ 1,468	\$ 549
342.00 Fuel Holders and Accessories	1,547,234	0.37414010	41,658	15,586	42,707	15,978	1,049	392
343.00 Prime Movers	31,462,188	0.37414010	872,207	326,327	914,140	342,015	41,933	15,688
344.00 Generators	193,123,849	0.39592004	7,879,453	3,119,634	7,875,700	3,118,148	(3,753)	(1,486)
345.00 Accessory Electric Equipment	1,594,133	0.37414010	44,106	16,503	44,274	16,565	168	62
346.00 Miscellaneous Power Plant Equipment	418,487	0.37414010	12,187	4,560	13,843	5,179	1,656	619
Total Other Production Plant	\$ 232,789,368		\$ 8,982,534	\$ 3,532,342	\$ 9,025,055	\$ 3,548,166	\$ 42,521	\$ 15,924
TRANSMISSION PLANT								
353.00 Station Equipment	\$ 62,569,456	0.39620447	\$ 1,007,368	\$ 399,124	\$ 1,019,882	\$ 404,082	\$ 12,514	\$ 4,958
354.00 Towers and Fixtures	4,692,263	0.39620447	71,792	28,444	72,261	28,630	469	186
355.00 Poles and Fixtures	76,420,962	0.39620447	1,650,693	654,012	1,673,619	663,095	22,926	9,083
356.00 Overhead Conductors and Devices	66,885,955	0.39620447	1,357,785	537,960	1,364,473	540,610	6,688	2,650
358.00 Underground Conductors and Devices	80,637	0.39620447	2,048	811	2,201	872	153	61
Total Transmission Plant	\$ 210,649,273		\$ 4,089,686	\$ 1,620,351	\$ 4,132,436	\$ 1,637,289	\$ 42,750	\$ 16,938
DISTRIBUTION PLANT								
362.00 Station Equipment	\$ 50,069,966	0.44993009	\$ 1,181,651	\$ 531,660	\$ 1,181,651	\$ 531,660	\$ -	\$ -
364.00 Poles, Towers and Fixtures	56,188,171	0.44993009	1,477,749	664,884	1,477,749	664,884	-	-
365.00 Overhead Conductors and Devices	43,138,262	0.44993009	1,393,366	626,917	1,389,052	624,976	(4,314)	(1,941)
367.00 Underground Conductors and Devices	54,263,034	0.44993009	1,551,923	698,257	1,551,923	698,257	-	-
368.00 Line Transformers	59,178,212	0.44993009	869,920	391,403	875,838	394,066	5,918	2,663

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	North Dakota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
369.00 Overhead Services	10,994,857	0.44993009	526,644	236,953	527,744	237,448	1,100	495
369.10 Underground Services	29,190,374	0.44993009	756,031	340,161	756,031	340,161		
370.00 Meters	20,230,066	0.44993009	556,327	250,308	558,350	251,218	2,023	910
370.10 Load Management Switches	8,715,478	0.44993009	568,249	255,672	564,763	254,104	(3,486)	(1,568)
370.20 Interruption Monitors	624,778	0.44993009	124,956	56,221	124,956	56,221		
371.20 Other Private Lighting	3,775,524	0.44993009	147,245	66,250	147,623	66,420	378	170
373.00 Street Lighting and Signal Systems	4,341,586	0.44993009	229,670	103,335	230,104	103,531	434	196
Total Distribution Plant	\$ 340,710,108		\$ 9,383,731	\$ 4,222,021	\$ 9,385,784	\$ 4,222,946	\$ 2,053	\$ 925
GENERAL PLANT								
Depreciable								
390.00 Structures and Improvements	\$ 18,993,143	0.41093959	\$ 358,970	\$ 147,515	\$ 353,272	\$ 145,173	\$ (5,698)	\$ (2,342)
390.10 General Office Buildings	5,620,459	0.41093959	183,227	75,295	183,227	75,295		
390.20 Fleet Service Center Building	789,744	0.41093959	28,589	11,748	28,431	11,683	(158)	(65)
390.30 Central Stores Building	3,888,940	0.41093959	96,835	39,793	95,668	39,314	(1,167)	(479)
396.00 Power Operated Equipment	553,467	0.41093959	22,471	9,234	22,471	8,893	(378)	(151)
397.40 Communication Towers	1,486,753	0.41093959	58,281	23,950	54,861	22,545	(3,420)	(1,405)
Total Depreciable	\$ 31,332,506		\$ 748,373	\$ 307,535	\$ 737,100	\$ 302,903	\$ (11,273)	\$ (4,632)
Amortizable								
391.00 Office Furniture	\$ 2,374,099	0.41093959	\$ 158,352	\$ 65,073	\$ 158,352	\$ 65,073	\$ -	\$ -
391.10 Office Equipment	1,000,587	0.41093959	100,059	41,118	99,959	41,077	(100)	(41)
391.20 Duplicating Equipment	1,160,255	0.41093959	116,026	47,680	116,026	47,680		
391.50 Computer Systems	1,527,333	0.41093959	305,467	125,528	305,008	125,340	(459)	(188)
391.60 Computer Related Equipment	1,836,284	0.41093959	367,257	150,920	367,808	151,147	551	227
393.00 Stores Equipment		0.41093959						
394.00 Tools, Shop and Garage Equipment	2,959,034	0.41093959	197,368	81,106	197,368	81,106		
394.20 Automated Meter Reading Equipment	1,093,497	0.41093959	72,936	29,972	72,936	29,972		
395.00 Laboratory Equipment	249,168	0.41093959	16,620	6,820	16,595	6,820	(25)	(10)
397.00 Communication Equipment	604,294	0.41093959	40,306	16,563	40,246	16,539	(60)	(24)
397.10 Radio Telecommunication Equipment	928,325	0.41093959	92,833	38,149	92,833	38,149		
397.20 Microwave Equipment	2,643,655	0.41093959	176,332	72,462	176,332	72,462		
397.30 Radio Load Control Equipment	135,027	0.41093959	13,503	5,549	13,516	5,554	13	5
Total Amortizable	\$ 16,511,558		\$ 1,657,059	\$ 680,950	\$ 1,656,979	\$ 680,919	\$ (80)	\$ (31)
Total General Plant	\$ 47,844,064		\$ 2,405,432	\$ 988,485	\$ 2,394,079	\$ 983,822	\$ (11,353)	\$ (4,663)
TOTAL UTILITY	\$ 1,168,268,306		\$ 34,011,636	\$ 13,786,673	\$ 34,682,786	\$ 14,038,378	\$ 671,150	\$ 251,705

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	North Dakota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
STEAM PRODUCTION								
Big Stone								
311.00 Structures and Improvements	\$ 22,586,948	0.37414010	\$ 494,654	\$ 185,070	\$ 542,087	\$ 202,816	\$ 47,433	\$ 17,746
312.00 Boiler Plant Equipment	71,930,135	0.37414010	2,316,150	866,565	2,380,887	890,785	64,737	24,220
314.00 Turbogenerator Units	28,042,459	0.37414010	1,121,698	419,672	1,144,132	428,066	22,434	8,394
315.00 Accessory Electric Equipment	8,467,399	0.37414010	211,685	79,200	216,765	81,100	5,080	1,900
316.00 Miscellaneous Power Plant Equipment	2,616,330	0.37414010	80,583	30,149	82,938	31,030	2,355	881
Total Big Stone	\$ 133,643,271		\$ 4,224,770	\$ 1,580,656	\$ 4,366,809	\$ 1,633,797	\$ 142,039	\$ 53,141
Hoot Lake Units 2 and 3								
311.00 Structures and Improvements	\$ 5,701,405	0.37414010	\$ 81,530	\$ 30,504	\$ 82,670	\$ 30,930	\$ 1,140	\$ 426
312.00 Boiler Plant Equipment	32,632,828	0.37414010	1,161,729	434,649	1,569,639	587,265	407,910	152,616
314.00 Turbogenerator Units	10,614,231	0.37414010	282,339	105,634	298,260	111,591	15,921	5,957
315.00 Accessory Electric Equipment	2,078,256	0.37414010	25,355	9,486	29,096	10,886	3,741	1,400
316.00 Miscellaneous Power Plant Equipment	860,019	0.37414010	41,539	15,541	43,345	16,217	1,806	676
Total Hoot Lake Units 2 and 3	\$ 51,886,739		\$ 1,592,492	\$ 595,814	\$ 2,023,010	\$ 756,889	\$ 430,518	\$ 161,075
Coyote								
311.00 Structures and Improvements	\$ 31,545,992	0.37414010	\$ 630,920	\$ 236,052	\$ 624,611	\$ 233,692	\$ (6,309)	\$ (2,360)
312.00 Boiler Plant Equipment	87,174,089	0.37414010	1,935,265	724,060	1,943,982	727,322	8,717	3,262
314.00 Turbogenerator Units	18,244,335	0.37414010	436,040	163,140	439,688	164,505	3,648	1,365
315.00 Accessory Electric Equipment	8,544,298	0.37414010	166,614	62,337	166,614	62,337		
316.00 Miscellaneous Power Plant Equipment	1,779,740	0.37414010	49,833	18,645	51,079	19,111	1,246	466
Total Coyote	\$ 147,288,454		\$ 3,218,672	\$ 1,204,234	\$ 3,225,974	\$ 1,206,967	\$ 7,302	\$ 2,733
HYDRAULIC PRODUCTION								
Hoot Lake								
331.00 Structures and Improvements	\$ 69,354	0.37414010	\$ 166	\$ 62	\$ 173	\$ 65	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	247,942	0.37414010	422	158	446	167	24	9
333.00 Water Wheels, Turbines & Generators	104,195	0.37414010	1,688	632	1,667	624	(21)	(8)
334.00 Accessory Electric Equipment	34,650	0.37414010	776	290	766	287	(10)	(3)
335.00 Miscellaneous Power Plant Equipment								
Total Hoot Lake	\$ 456,141		\$ 3,052	\$ 1,142	\$ 3,052	\$ 1,143	\$ -	\$ 1
Wright								
331.00 Structures and Improvements	\$ 19,026	0.37414010	\$ 557	\$ 208	\$ 597	\$ 223	\$ 40	\$ 15
332.00 Reservoirs, Dams and Waterways	357,504	0.37414010	6,149	2,301	17,124	6,407	10,975	4,106
333.00 Water Wheels, Turbines & Generators	228,711	0.37414010	11,847	4,432	12,076	4,518	229	86
334.00 Accessory Electric Equipment	183,074	0.37414010	10,637	3,980	10,765	4,028	128	48
335.00 Miscellaneous Power Plant Equipment	54,714	0.37414010	1,510	565	1,636	612	126	47
Total Wright	\$ 843,029		\$ 30,700	\$ 11,486	\$ 42,198	\$ 15,788	\$ 11,498	\$ 4,302

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08 Plant Investment	North Dakota Allocation Factor	Present Annual Accrual		Proposed Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=H-E
Pisgah								
331.00 Structures and Improvements	\$ 12,117	0.37414010	\$ 308	\$ 115	\$ 313	\$ 117	\$ 5	\$ 2
332.00 Reservoirs, Dams and Waterways	110,070	0.37414010	2,047	766	2,091	782	44	16
333.00 Water Wheels, Turbines & Generators	159,731	0.37414010	11,660	4,362	11,644	4,356	(16)	(6)
334.00 Accessory Electric Equipment	111,258	0.37414010	6,175	2,310	6,186	2,314	11	4
335.00 Miscellaneous Power Plant Equipment	21,820	0.37414010	733	274	740	277	7	3
Total Pisgah	\$ 414,996		\$ 20,923	\$ 7,827	\$ 20,974	\$ 7,846	\$ 51	\$ 19
Dayton Hollow								
331.00 Structures and Improvements	\$ 66	0.37414010	\$ 1	\$ -	\$ 1	\$ -	\$ -	\$ -
332.00 Reservoirs, Dams and Waterways	314,907	0.37414010	7,967	2,981	8,030	3,004	63	23
333.00 Water Wheels, Turbines & Generators	137,413	0.37414010	8,877	3,321	8,849	3,311	(28)	(10)
334.00 Accessory Electric Equipment	133,223	0.37414010	5,582	2,088	5,595	2,093	13	5
335.00 Miscellaneous Power Plant Equipment	8,354	0.37414010	266	100	267	100	1	1
Total Dayton Hollow	\$ 593,963		\$ 22,693	\$ 8,490	\$ 22,742	\$ 8,508	\$ 49	\$ 18
Taplin Gorge								
331.00 Structures and Improvements	\$ 35,140	0.37414010	\$ 204	\$ 76	\$ 211	\$ 79	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	366,191	0.37414010	6,665	2,494	6,665	2,494	-	-
333.00 Water Wheels, Turbines & Generators	15,110	0.37414010	66	25	70	26	4	1
334.00 Accessory Electric Equipment	9,090	0.37414010	143	54	144	54	1	1
335.00 Miscellaneous Power Plant Equipment	62,717	0.37414010	2,289	856	2,277	852	(12)	(4)
Total Taplin Gorge	\$ 488,248		\$ 9,367	\$ 3,505	\$ 9,367	\$ 3,505	\$ -	\$ -
Bemidji								
331.00 Structures and Improvements	\$ 105,629	0.37414010	\$ 5,313	\$ 1,988	\$ 6,834	\$ 2,557	\$ 1,521	\$ 569
332.00 Reservoirs, Dams and Waterways	216,555	0.37414010	6,432	2,406	6,605	2,471	173	65
333.00 Water Wheels, Turbines & Generators	331,340	0.37414010	15,706	5,876	17,727	6,632	2,021	756
334.00 Accessory Electric Equipment	6,840	0.37414010	126	47	132	49	6	2
335.00 Miscellaneous Power Plant Equipment	288	0.37414010	7	3	8	3	1	1
Total Bemidji	\$ 660,652		\$ 27,584	\$ 10,320	\$ 31,306	\$ 11,712	\$ 3,722	\$ 1,392
OTHER PRODUCTION								
Jamestown								
341.00 Structures and Improvements	\$ 244,252	0.37414010	\$ 6,555	\$ 2,452	\$ 7,565	\$ 2,830	\$ 1,010	\$ 378
342.00 Fuel Holders and Accessories	241,933	0.37414010	5,907	2,210	6,895	2,580	988	370
343.00 Prime Movers	6,674,855	0.37414010	166,882	62,437	208,499	78,007	41,617	15,570
344.00 Generators								
345.00 Accessory Electric Equipment	61,439	0.37414010	1,786	669	1,898	710	112	41
346.00 Miscellaneous Power Plant Equipment	90,068	0.37414010	2,402	899	4,154	1,554	1,752	655
Total Jamestown	\$ 7,312,547		\$ 183,532	\$ 68,667	\$ 229,011	\$ 85,681	\$ 45,479	\$ 17,014

OTTER TAIL POWER COMPANY
 Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Account Description	12/31/08		North Dakota		Present Annual Accrual		Proposed Annual Accrual		Difference	
	Plant Investment	North Dakota Allocation Factor	Total	North Dakota	Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F*D	I=G*E	J=H-I	K=J*E
Jamestown Unit 1										
341.00 Structures and Improvements	\$ 229,859	0.37414010	\$ 5,884	\$ 2,201	\$ 6,896	\$ 2,580	\$ 1,012	\$ 379		
342.00 Fuel Holders and Accessories	205,164	0.37414010	4,657	1,742	5,601	2,096	944	354		
343.00 Prime Movers	2,877,314	0.37414010	63,589	23,791	104,446	39,077	40,857	15,286		
344.00 Generators										
345.00 Accessory Electric Equipment	22,080	0.37414010	389	146	497	186	108	40		
346.00 Miscellaneous Power Plant Equipment	63,026	0.37414010	1,664	623	3,410	1,276	1,746	653		
Total Jamestown Unit 1	\$ 3,397,443		\$ 76,183	\$ 28,503	\$ 120,850	\$ 45,215	\$ 44,667	\$ 16,712		
Jamestown Unit 2										
341.00 Structures and Improvements	\$ 14,393	0.37414010	\$ 671	\$ 251	\$ 669	\$ 250	\$ (2)	\$ (1)		
342.00 Fuel Holders and Accessories	36,769	0.37414010	1,250	468	1,294	484	44	16		
343.00 Prime Movers	3,797,541	0.37414010	103,293	38,646	104,053	38,930	760	284		
344.00 Generators										
345.00 Accessory Electric Equipment	39,359	0.37414010	1,397	523	1,401	524	4	1		
346.00 Miscellaneous Power Plant Equipment	27,042	0.37414010	738	276	744	278	6	2		
Total Jamestown Unit 2	\$ 3,915,104		\$ 107,349	\$ 40,164	\$ 108,161	\$ 40,466	\$ 812	\$ 302		
Lake Preston										
341.00 Structures and Improvements	\$ 194,154	0.37414010	\$ 4,000	\$ 1,497	\$ 4,038	\$ 1,511	\$ 38	\$ 14		
342.00 Fuel Holders and Accessories	301,705	0.37414010	6,245	2,337	6,306	2,359	61	22		
343.00 Prime Movers	3,161,513	0.37414010	75,244	28,152	75,560	28,270	316	118		
344.00 Generators										
345.00 Accessory Electric Equipment	281,647	0.37414010	5,915	2,213	5,971	2,234	56	21		
346.00 Miscellaneous Power Plant Equipment	21,607	0.37414010	519	194	454	170	(65)	(24)		
Total Lake Preston	\$ 3,960,626		\$ 91,923	\$ 34,393	\$ 92,329	\$ 34,544	\$ 406	\$ 151		
Ashtabula Wind Generation										
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
342.00 Fuel Holders and Accessories										
343.00 Prime Movers										
344.00 Generators	115,325,925	0.39592004	4,705,298	1,862,922	4,693,765	1,858,356	(11,533)	(4,566)		
345.00 Accessory Electric Equipment										
346.00 Miscellaneous Power Plant Equipment										
Total Ashtabula Wind Generation	\$ 115,325,925		\$ 4,705,298	\$ 1,862,922	\$ 4,693,765	\$ 1,858,356	\$ (11,533)	\$ (4,566)		

OTTER TAIL POWER COMPANY

Comparison of Present and Proposed Accruals
 Present: VG Procedure / RL Technique
 Proposed: VG Procedure / RL Technique

Statement B

Account Description A	12/31/08 Plant Investment B	North Dakota Allocation Factor C	Present Annual Accrual D		Proposed Annual Accrual E=CD		Difference I=G-E	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
Langdon Wind Generation								
341.00 Structures and Improvements	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	77,797,924	0.39592004	3,174,155	1,256,712	3,181,935	1,259,792	7,780	3,080
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Langdon Wind Generation	\$ 77,797,924		\$ 3,174,155	\$ 1,256,712	\$ 3,181,935	\$ 1,259,792	\$ 7,780	\$ 3,080
Solway Combustion Turbine								
341.00 Structures and Improvements	\$ 4,205,071	0.37414010	\$ 122,368	\$ 45,783	\$ 122,788	\$ 45,940	\$ 420	\$ 157
342.00 Fuel Holders and Accessories	1,003,596	0.37414010	29,506	11,039	29,506	11,039		
343.00 Prime Movers	21,034,183	0.37414010	612,095	229,009	612,095	229,009		
344.00 Generators								
345.00 Accessory Electric Equipment	1,251,047	0.37414010	36,405	13,621	36,405	13,621		
346.00 Miscellaneous Power Plant Equipment	306,812	0.37414010	9,266	3,467	9,235	3,455	(31)	(12)
Total Solway Combustion Turbine	\$ 27,800,709		\$ 809,640	\$ 302,919	\$ 810,029	\$ 303,064	\$ 389	\$ 145
Fergus Falls Control Center								
341.00 Structures and Improvements	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	591,637	0.37414010	17,986	6,729	17,986	6,729		
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
Total Fergus Falls Control Center	\$ 591,637		\$ 17,986	\$ 6,729	\$ 17,986	\$ 6,729	\$ -	\$ -