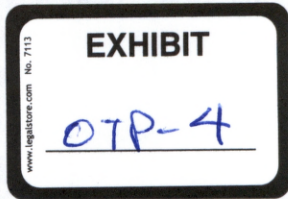


Otter Tail Power Company
Transmission Cost Recovery Rider
Docket No. PU-11-153

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Projected Revenue for 2011-2012

| Line No. | Class | | Units | Rate per Unit | Amount |
|----------|-----------------------|-----|-----------------|---------------|--------------------|
| 1 | Large General Service | (a) | 1,054,709 kW | 118.340¢ | \$1,248,148 |
| 2 | | | | | |
| 3 | Controlled Service | (b) | 212,885,210 kWh | 0.046¢ | \$98,202 |
| 4 | | | | | |
| 5 | Lighting | (c) | 21,007,015 kWh | 0.171¢ | \$35,833 |
| 6 | | | | | |
| 7 | All other service | | 858,252,777 kWh | 0.308¢ | \$2,647,593 |
| 8 | | | | | |
| 9 | Total revenue | | | | <u>\$4,029,775</u> |

- (a) Rate Schedules 10.03 Large General Service and 10.05 Large General Service - Time of Day
 (b) Rate Schedules 14.01 Water Heating, 14.04 Interruptible Load (CT Metering), 14.05 Interruptible Load (Self-Contained Metering), 14.06 Deferred Load
 (c) Rate Schedules 11.03 Outdoor Lighting (energy only), 11.04 Outdoor Lighting

Summary of Revenue Requirements

| Line No. | Revenue Requirements | 2011-2012 |
|----------|----------------------|---------------------------|
| 1 | Project | \$0 |
| 2 | Schedule 26 | 3,903,294 |
| 3 | Carrying Cost | <u>126,481</u> |
| 4 | Total | <u><u>\$4,029,775</u></u> |

Otter Tail Power Company
 Transmission Cost Recovery Rider
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Attachment 3
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Class Allocation and Rate Design

| Line No. | | | 2011 |
|----------|-----------------------------------------|-------------|---------------|
| 1 | Total North Dakota Revenue Requirements | | \$4,029,775 * |
| 2 | Large General Service Class | 30.97% | \$1,248,148 |
| 3 | Controlled Service | 2.44% | 98,202 |
| 4 | Lighting | 0.89% | 35,833 |
| 5 | All Other Service | 65.70% | 2,647,593 |
| 6 | Total | | \$4,029,775 |
| 7 | Large General Service Class | kW | 1,054,709 |
| 8 | Controlled Service | kWh | 212,885,210 |
| 9 | Lighting | kWh | 21,007,015 |
| 10 | All Other Service | kWh | 858,252,777 |
| 11 | Large General Service Class | cents / kW | 118.340 |
| 12 | Controlled Service | cents / kWh | 0.046 |
| 13 | Lighting | cents / kWh | 0.171 |
| 14 | All Other Service | cents / kWh | 0.308 |

* Jurisdictional transmission allocation factor (D2 = 47.89%) is from Otter Tail's last general rate case in North Dakota.

Schedule 26 Method

Otter Tail Power Company
Transmission Rider Tracker
North Dakota

Attachment 4
Page 2 of 2

| Line No. | TRACKER SUMMARY Requirements Compared to Billed: | 2012 | | | | | | | | | | | | YE Projected |
|----------|-----------------------------------------------------|-------------------|--------------------|-----------------|-----------------|---------------|----------------|----------------|------------------|---------------------|-------------------|--------------------|--------------------|--------------|
| | | January Projected | February Projected | March Projected | April Projected | May Projected | June Projected | July Projected | August Projected | September Projected | October Projected | November Projected | December Projected | |
| 1 | Revenue Requirements | | | | | | | | | | | | | |
| 2 | Project | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | MISO Schedule 26 - expense/(revenue) | 262,540 | 266,074 | 285,451 | 252,657 | 247,930 | 193,108 | 223,835 | 232,105 | 244,531 | 243,734 | 198,081 | 212,383 | 2,862,430 |
| 5 | Net Revenue Requirement | 262,540 | 266,074 | 285,451 | 252,657 | 247,930 | 193,108 | 223,835 | 232,105 | 244,531 | 243,734 | 198,081 | 212,383 | 2,862,430 |
| 6 | | | | | | | | | | | | | | |
| 7 | Billed (forecast kWh x adj factor) | 0 | 426,159 | 395,788 | 344,948 | 304,232 | 278,878 | 281,517 | 286,376 | 295,800 | 278,566 | 338,900 | 373,606 | 3,604,769 |
| 8 | | | | | | | | | | | | | | |
| 9 | Difference | 262,540 | (160,085) | (110,336) | (92,291) | (56,302) | (85,770) | (57,682) | (54,271) | (51,268) | (34,833) | (140,819) | (161,223) | (742,339) |
| 10 | Carrying Charge | | | | | | | | | | | | | |
| 11 | Cummulative Difference | 1,303,405 | 1,143,320 | 1,032,984 | 940,693 | 884,391 | 798,621 | 740,939 | 686,668 | 635,399 | 600,567 | 459,748 | 425,006 | 425,006 |
| 12 | | | | | | | | | | | | | | |
| 13 | Carrying Charge Calculation | 9,713 | 8,633 | 7,903 | 7,297 | 6,945 | 6,379 | 6,011 | 5,665 | 5,337 | 5,125 | 4,151 | 3,931 | 77,092 |
| 14 | Cumulative Carrying Charge | 59,102 | 67,735 | 75,638 | 82,935 | 89,881 | 96,260 | 102,271 | 107,936 | 113,273 | 118,398 | 122,549 | 126,481 | |
| 15 | Carrying cost | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | 8.62% | |
| 16 | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | |
| 18 | Forecasted Sales (MWh) | | 196,272 | 182,284 | 158,870 | 140,117 | 128,440 | 129,656 | 131,894 | 136,234 | 128,297 | 156,084 | 172,068 | 1,855,956 |

| SUMMARY | Jan 2011 - |
|------------------------------------------|-------------|
| | Dec 2012 |
| Revenue requirements | \$3,903,294 |
| Carrying Charge | 126,481 |
| Total requirements | \$4,029,775 |
| Feb 2012-Dec 2012 projected sales in mWh | 1,855,956 |
| Average Rate | \$0.00217 |

Schedule 26 Method

Otter Tail Power Company
Transmission Rider - Revenue Requirements
Project

| Line No. | SUPPORTING INFORMATION / DATA | | | | | | | | | | | | |
|----------|---------------------------------------------|---------|---------------|----------------|---------------------|-------|-------|-------|-------|-------|-------|-------|---------|
| 1 | ND Capstructure with allowed ROE per order. | | | | | | | | | | | | |
| 2 | Capital Structure | Ratio | Cost | WA Cost | Property tax | | | | | | | | |
| 3 | Debt | 43.11% | 6.30% | 2.72% | 2011 composite rate | | | | | | | | |
| 4 | Preferred equity | 3.60% | 4.75% | 0.17% | | | | | | | | | |
| 5 | Common equity | 53.30% | 10.75% | 5.73% | Book Depreciation | | | | | | | | |
| 6 | Total | 100.00% | | 8.62% | 2011 composite rate | | | | | | | | 1.6150% |
| 7 | | | | Overall Return | | | | | | | | | |
| 8 | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | |
| 10 | Project life (years) | Book | Tax | | | | | | | | | | |
| 11 | | 50 | 15-year MACRS | | | | | | | | | | |
| 12 | Statutory Tax Rate | 38.38% | | | | | | | | | | | |
| 13 | Tax conversion factor | 1.62193 | | | | | | | | | | | |
| 14 | Transmission Revenue | 0.00% | | | | | | | | | | | |
| 15 | ND share - D2 factor | 41.257% | | | | | | | | | | | |
| 16 | Deferred Tax | | | | | | | | | | | | |
| 17 | Book depr. rate | 2.04% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% | 0.13% |
| 18 | Tax depr. rate (15-year MACRS) Yr 1 | 3.75% | | | | | | | | | | | |
| 19 | Tax depr. rate (15-year MACRS) Yr 2 | 9.63% | | | | | | | | | | | |
| 20 | Tax depr. rate (15-year MACRS) Yr 3 | 8.66% | | | | | | | | | | | |
| 21 | Tax depr. rate (15-year MACRS) Yr 4 | 7.80% | | | | | | | | | | | |
| 22 | Tax depr. rate (15-year MACRS) Yr 5 | 7.02% | | | | | | | | | | | |
| 23 | Tax depr. rate (15-year MACRS) Yr 6 | 6.31% | | | | | | | | | | | |
| 24 | Tax depr. rate (15-year MACRS) Yr 7 | 5.90% | | | | | | | | | | | |
| 25 | Tax depr. rate (15-year MACRS) Yr 8 | 5.90% | | | | | | | | | | | |
| 26 | Tax depr. rate (15-year MACRS) Yr 9 | 5.91% | | | | | | | | | | | |
| 27 | Tax depr. rate (15-year MACRS) Yr 10 | 5.90% | | | | | | | | | | | |
| 28 | Tax depr. rate (15-year MACRS) Yr 11 | 5.91% | | | | | | | | | | | |
| 29 | Tax depr. rate (15-year MACRS) Yr 12 | 5.90% | | | | | | | | | | | |
| 30 | Tax depr. rate (15-year MACRS) Yr 13 | 5.91% | | | | | | | | | | | |
| 31 | Tax depr. rate (15-year MACRS) Yr 14 | 5.90% | | | | | | | | | | | |
| 32 | Tax depr. rate (15-year MACRS) Yr 15 | 5.91% | | | | | | | | | | | |
| 33 | Tax depr. rate (15-year MACRS) Yr 16 | 3.69% | | | | | | | | | | | |
| 34 | | | | | | | | | | | | | |
| 35 | Book depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Tax depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | Book vs. tax depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 | Federal & State deferred income taxes | 38.35% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 | | | | | | | | | | | | | |

Schedule 26 Method

Otter Tail Power Company
Transmission Cost Recovery Rider
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2012 Attachment O Filing

| Line No. | | | | | Allocated Amount |
|----------|---------------------------------------------------------|-------------------|--------------|--------------------------|------------------|
| 1 | GROSS REVENUE REQUIREMENT (page 3, line 31) | | | | \$ 34,996,882 |
| | REVENUE CREDITS | (Note T) | <u>Total</u> | <u>Allocator</u> | |
| 2 | Account No. 454 | (page 4, line 34) | 554,025 | TP 1.00000 | 554,025 |
| 3 | Account No. 456.1 | (page 4, line 37) | 7,204,688 | TP 1.00000 | 7,204,688 |
| 4 | Revenues from Grandfathered Interzonal Transactions | | 0 | TP 1.00000 | 0 |
| 5 | Revenues from service provided by the ISO at a discount | | 0 | TP 1.00000 | 0 |
| 6 | TOTAL REVENUE CREDITS (sum lines 2-5) | | | | <u>7,758,713</u> |
| 7 | | | | Wholesale Revenue Credit | 22.17% |

2011 Attachment O Filing

| Line No. | | | | | Allocated Amount |
|----------|---------------------------------------------------------|-------------------|--------------|--------------------------|------------------|
| 1 | GROSS REVENUE REQUIREMENT (page 3, line 31) | | | | \$ 34,298,860 |
| | REVENUE CREDITS | (Note T) | <u>Total</u> | <u>Allocator</u> | |
| 2 | Account No. 454 | (page 4, line 34) | 115,163 | TP 1.00000 | 115,163 |
| 3 | Account No. 456.1 | (page 4, line 37) | 5,805,049 | TP 1.00000 | 5,805,049 |
| 4 | Revenues from Grandfathered Interzonal Transactions | | 20,400 | TP 1.00000 | 20,400 |
| 5 | Revenues from service provided by the ISO at a discount | | 0 | TP 1.00000 | 0 |
| 6 | TOTAL REVENUE CREDITS (sum lines 2-5) | | | | <u>5,940,612</u> |
| 7 | | | | Wholesale Revenue Credit | 17.32% |

Schedule 26 Method

Otter Tail Power Company
Transmission Cost Recovery Rider
Docket No. PU-11-153

Attachment 7
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| | | 2011 | | | | | | | | | | | | |
|----------|--------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| Line No. | SCHEDULE 26 | Jan Actual | Feb Actual | Mar Actual | Apr Actual | May Actual | Jun Actual | Jul Actual | Aug Actual | Sep Actual | Oct Actual | Nov Actual | Dec Actual | YE Actual |
| 1 | MISO Schedule 26 Expense | 98,095 | 263,227 | 244,971 | 256,072 | 198,610 | 187,017 | 209,602 | 225,474 | 237,091 | 195,919 | 193,997 | 212,789 | 2,522,864 |
| 2 | MISO Schedule 26 Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Net Schedule 26 | 98,095 | 263,227 | 244,971 | 256,072 | 198,610 | 187,017 | 209,602 | 225,474 | 237,091 | 195,919 | 193,997 | 212,789 | 2,522,864 |
| 4 | North Dakota share | 41.26% | 40,471 | 108,600 | 101,068 | 105,648 | 81,941 | 77,158 | 86,476 | 93,025 | 97,817 | 80,831 | 87,791 | 1,040,865 |

| | | 2012 | | | | | | | | | | | | |
|----------|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Line No. | SCHEDULE 26 | Jan Projected | Feb Projected | Mar Projected | Apr Projected | May Projected | Jun Projected | Jul Projected | Aug Projected | Sep Projected | Oct Projected | Nov Projected | Dec Projected | YE Projected |
| 1 | MISO Schedule 26 Expense | 636,349 | 644,914 | 691,881 | 612,395 | 600,936 | 468,059 | 542,535 | 562,579 | 592,699 | 590,766 | 480,111 | 514,777 | 6,938,001 |
| 2 | MISO Schedule 26 Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Net Schedule 26 | 636,349 | 644,914 | 691,881 | 612,395 | 600,936 | 468,059 | 542,535 | 562,579 | 592,699 | 590,766 | 480,111 | 514,777 | 6,938,001 |
| 4 | North Dakota share | 41.26% | 262,540 | 266,074 | 285,451 | 252,657 | 247,930 | 193,108 | 223,835 | 232,105 | 244,531 | 243,734 | 198,081 | 2,862,430 |