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December 31, 2014



Mr. Darrell Nitschke
Director of Admin./Executive Secretary
North Dakota Public Service Commission
State Capitol
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0408

**RE: Otter Tail Power Company's Request for Approval of its 2015 Renewable Resource Cost Recovery Adjustment Factor.
NDPSC Case No. PU-15-_____**

Dear Mr. Nitschke:

Please find enclosed for filing Otter Tail Power Company's ("Otter Tail's") Application for its 2015 Renewable Resource Cost Recovery Adjustment Factor ("RRA") under Otter Tail's Renewable Resource Cost Recovery Rider. Otter Tail is providing an original and seven copies of the Application.

We also enclose our check in the amount of \$50 for the filing fee.

Please refer all inquiries regarding this filing to Anthony Harris at (218) 739-8564 or aharris@otpc.com.

Sincerely,

/s/ ANTHONY HARRIS
Anthony Harris
Rates Analyst, Regulatory Administration

nlo
Enclosures
By electronic filing and U.S. mail

**STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of Otter Tail Power Company's
Request for Approval of its 2015 Renewable
Resource Cost Recovery Adjustment Factor

Case No. PU-_____

APPLICATION

I. INTRODUCTION

Otter Tail Power Company, ("Otter Tail") submits this Application to the North Dakota Public Service Commission ("Commission") for approval of the annual update to its Renewable Resource Cost Recovery Adjustment Factor ("RRA") under the Company's Renewable Resource Cost Recovery Rider ("Renewable Rider" or "Rider"). This update results in a reduction of approximately \$2.6 million in the revenue requirement for the next recovery period beginning April 1, 2015.

On May 21, 2008, the Commission approved Otter Tail's Renewable Rider¹ and on January 14, 2009 the Commission approved Otter Tail's first annual RRA for that Rider (2009 RRA)² subject to final review in conjunction with its general rate case.³ On August 4, 2010 the Commission approved Otter Tail's second annual RRA.⁴ The Order in the second annual RRA update filing established the current collection timeline of April through March of the following year. Otter Tail now files its sixth annual update to the RRA for the Rider (2015 RRA), which includes actual cost and revenue information through October 2014 and forecast cost and revenue information from November 2014 through March 31, 2016, for investments in the Langdon, Ashtabula, and Luverne Wind Projects, all located in North Dakota. The proposed effective date of the updated RRA is April 1, 2015.

¹ Case No. PU-06-466.

² Case No. PU-08-742.

³ Order dated November 25, 2009, in Case PU-08-862.

⁴ Case No. PU-10-18.

Pursuant to NDCC § 49-05-16, the Commission has made determinations of prudence for Otter Tail's investments in the Langdon, Ashtabula and Luverne Wind Energy Projects. There have been no additional projects added in the last year. Only costs for these three projects are included in the Rider.

The current filing consists of four parts:

1. *Eligible projects.* Costs are included for the investment in the Langdon, Ashtabula and Luverne Wind Projects.
2. *Revenue requirements calculation.* Components of the revenue requirements calculation are discussed.
3. *2015 Tracker Report.* Actual components of the Renewable Resource Tracker through October 2014 and projections through the next cost recovery period are included.
4. *2015 RRA.* Rate design overview, including Otter Tail's current rate design and proposed new rate design, and resulting impact on customers' bills.

II. GENERAL FILING INFORMATION

Pursuant to North Dakota Rules Part 69-02-02-04, the following information is provided.

A. Name, address, and telephone number of utility making the filing.

Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8200

B. Name, address, and telephone number of utility attorney.

Bruce Gerhardson
Associate General Counsel
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8475
bgerhardson@otpc.com

C. Date of filing and proposed effective date of rates.

The date of this filing is December 31, 2014. Otter Tail proposes the 2015 RRA be reflected on customers' electric service bills effective April 1, 2015, or in the first full month

following Commission approval if Commission action occurs after March 2015. Otter Tail is requesting the updated RRA be approved to become effective for bills rendered on and after April 1, 2015, for continuity of the annual rider filing process.

D. Title of utility employee responsible for filing.

Anthony Harris
Rates Analyst
Otter Tail Power Company
215 South Cascade Street
Fergus Falls, Minnesota 56538-0496
(218) 739-8564
aharris@otpc.com

E. Articles of Incorporation.

Pursuant to North Dakota Rules Part 69-02-02-04, a certified copy of Otter Tail's Articles of Incorporation is on file with the Commission, as is an original Certificate of Good Standing.

III. DESCRIPTION AND PURPOSE OF FILING

A. Background.

Cost recovery through this Rider and recovery of revenue requirements for the new investment is under the authority granted to the Commission under NDCC § 49-02, § 49-05, and § 49-06. The Renewable Resource Rider approved by Order dated May 21, 2008, and effective on June 1, 2008, created a recovery mechanism and included provisions for Otter Tail's annual filing requirements.

Otter Tail's first annual filing was approved on January 14, 2009, becoming effective on February 1, 2009, subject to final review in Otter Tail's general rate case, Case No. PU-08-862, which was pending at that time. On November 25, 2009, the Commission issued its Order on Settlement in that general rate case approving and adopting the Settlement Agreement (with one exception unrelated to the Renewable Resource Rider), Cases No. PU-08-742 and PU-08-862. The Commission's approval included affirmation of the earlier annual RRA approval. The Settlement Agreement revised the RRA for the months of December 2009 through March 2010

and included provisions on calculation of revenue requirements and rate design that Otter Tail addresses in this filing.

Otter Tail's second annual filing was approved by the Commission's Order dated August 4, 2010, and set the RRA rate to be in effect from September 1, 2010 through March 31, 2012. The Order required Otter Tail to file its next RRA rate on or before December 31, 2011, for expected implementation of April 1, 2012, to March 31, 2013. Otter Tail's third annual filing was made on December 29, 2011 and was approved by the Commission's Order dated March 21, 2012. The fourth filing was made on December 28, 2012 and was approved by the Commission's Order dated July 10, 2013. Otter Tail's most recent annual filing, the fifth update, was submitted on December 31, 2013 and was approved by the Commission's Order dated March 12, 2014.

Like Otter Tail's previous update filings, the 2015 Renewable Resources Rider tracker report includes information regarding the amount collected from retail customers and the actual costs including: a return on investment; depreciation expense; federal and state income taxes; operation and maintenance expenses; ground lease payments; and Production Tax Credits ("PTC").

B. Eligible projects.

1. Langdon Wind Project

Cost recovery was first granted for the Langdon Wind Project by Order dated May 21, 2008, in Case No. PU-06-466. This filing includes updated data for that project, shown on Attachment 1.

2. Ashtabula Wind Project

Cost recovery for Otter Tail's investment in the Ashtabula Wind Project was approved by Order dated January 14, 2009, in Case No. PU-09-742. This filing includes updated data for that project, shown on Attachment 2.

3. Luverne Wind Project

Cost recovery for Otter Tail's investment in the Luverne Wind Project was approved by Order dated August 4, 2010, in Case No. PU-10-18. This filing includes updated data for that project, shown on Attachment 3.

C. Revenue requirements calculation.

Otter Tail's revenue requirements calculation in this filing is similar to previous filings. As part of the Settlement Agreement in Case Nos. PU-08-862 and PU-09-742, approved by the Commission on November 25, 2009, Otter Tail deferred the uncollected portion of the amount needed to true-up revenue requirements for a previous period. The total amount deferred was \$337,256, as shown on line 4 (last column) of Attachment A to Schedule 6 of Otter Tail's Compliance Filing, dated November 24, 2009, in the above-referenced cases. This deferred balance was amortized over 48 months, beginning with the cost recovery period which began April 1, 2010 and continuing through March 31, 2014.

In this Application, Otter Tail seeks to recover a total of \$5,441,178 (Attachment 4, Page 8, line 43) over the April 1, 2015 to March 31, 2016 time period, a \$2,626,488 reduction from the \$8,067,666 revenue requirement projected in last year's update (Case No. PU-13-16) for the April 1, 2014 to March 31, 2015 collection period. Approximately \$1,780,622 of the reduction is related to true-ups for periods prior to March 31, 2015. There are two primary reasons for the large true up. First, sales and related billing collections increased during the 2013/2014 winter due to a colder than expected temperatures. The second factor contributing to the over-collection was a significantly higher use of production tax credits on Otter Tail's 2013 tax return which was finalized in Q3 of 2014. The increase in the use of PTCs required an adjustment to the 2013 accumulated deferred income taxes attributed to the PTCs which in turn reduced rate base for 2013 and subsequent periods. This reduction in rate base resulted in lower revenue requirement for 2013 and subsequent periods. Rate base for the recovery period in this filing is also reduced as a result of the PTC use, accounting for the balance of the reduction from \$8 million to \$5.4 million in revenue requirement compared to last year.

As in the past, any undercollections or overcollections carry forward through the rider's true-up mechanisms to the following collection period.

The following provides further detail into the various sections of the revenue requirement calculations in the Renewable Rider:

1. Revenue requirement calculation for each project

The total annual revenue requirement is based on the sum of the revenue requirements for the three projects as reflected in Attachments 1 through 3. Attachment 1 is the updated revenue

requirements calculation for the Langdon Wind Project; Attachment 2 is the revenue requirements calculation for the Ashtabula Wind Project; and Attachment 3 is the revenue requirements calculation for the Luverne Wind Project. Generally, each of these revenue requirement calculations is set up as follows: Information is shown by calendar year from the time each project became commercially operational through 2016. Each 12-month period has two pages. The first page for each calendar year includes three sections:

- a.) A rate base computation section, using a 13-month average to calculate average rate base.
- b.) An expenses section listing the operating and maintenance, depreciation, and income tax expenses.
- c.) A revenue requirements section, summarizing the total expenses and return on rate base calculations. The North Dakota share of the revenue requirement amount is reflected on the last line of that page.

The second page for each calendar year provides supporting information and data for the first page, which includes capital structure details, income tax, and depreciation calculations.

2. CWIP and AFUDC

During construction, AFUDC was calculated consistent with the FERC Uniform System of Accounts, 18 CFR Ch 1, Part 101, Electric Plant Instruction No. 3(17). There are no projects currently under construction.

3. Rate of return

In its calculations Otter Tail has used the rate of return on rate base of 8.62 percent ordered in its most recent general rate case.⁵

4. Depreciation

Otter Tail has used a 25-year average service life for all depreciable property in these wind projects.

⁵ Case No. PU-08-862, Order dated November 25, 2009.

5. Taxes

Manufacturing Production Deduction. For tax years beginning after 2004, corporations such as Otter Tail may claim a federal tax deduction (Manufacturing Production Deduction) that is equal to a percentage of the income earned from production activities undertaken in the U.S. (including the production of electricity). The percentage is applied to the taxable income related to production activities (without regard to the deduction) for the tax year. The percentage was 3 percent for tax years beginning in 2005 and 2006, 6 percent for tax years beginning in 2007 through 2009, and 9 percent thereafter. For 2014, Otter Tail is still uncertain as to whether it will be eligible for the deduction and what the magnitude will be if that is the case. For 2015, Otter Tail does not anticipate that it will be eligible for this deduction. If the determination is made that the deduction can be used, the impact will be included as part of the true-up calculation in the next filing. The deduction cannot be carried forward.

Production Tax Credit. The Langdon and Ashtabula Wind Projects are eligible for the PTC. Actual amounts are used through October 2014 and amounts are projected through March 31, 2016. The 2010, 2011 and 2012 PTC was \$22.00 per MWH. In April 2013, the amount increased to \$23.00 per MWH and that amount continued through 2014. The 2015 PTC is projected to increase to \$24.00 per MWH and it is projected to continue at that rate through 2016. The actual PTC is adjusted annually for inflation. The magnitude of tax credits and deductions produced by Otter Tail's recent investments in wind generation have created a net operating loss for the current tax calculation. Otter Tail has used the credits or deductions in the financial information for each project but has only included in accumulated deferred income taxes the amount it has been able to use for tax purposes since there is no cash benefit to Otter Tail until it uses the credit or deduction for actual taxes. Because of loss carry forward provisions, Otter Tail expects that all credits and deductions will be used before they expire.

Bonus Tax Depreciation. The Ashtabula and Luverne Wind Projects qualified for bonus tax depreciation as defined in the Internal Revenue Code. Ashtabula went into service in 2008 and Luverne in 2009 so the entire tax basis qualified for the 50 percent bonus each year. This resulted in a bonus tax depreciation amount of \$57.7 million and \$43.6 million for Ashtabula and Luverne, respectively.

6. Allocation to jurisdictions

Otter Tail has used the allocation factor approved in its most recent rate case to calculate North Dakota's share of the total revenue requirements. The allocation factor approved in that rate case, Case No. PU-08-862, is 41.018 percent. Also in that rate case, Otter Tail agreed to monitor its E2 allocation factor and address in its annual Renewable Cost Recovery filings any material changes that may occur to that allocation factor. Consistent with that agreement, Otter Tail notes that the actual allocation for 2013 was 42.22 percent. The estimated allocation factor for calendar year 2015 is 40.87 percent. These changes to the allocation factor would result in minimal changes to the allocation of costs to North Dakota, as compared with 41.018 percent from the test year in Case No. PU-08-862. At this time, Otter Tail has retained the approved allocation factor from the last rate case for use in the proposed RRA calculations for this filing.

D. 2015 Renewable Tracker report.

The Renewable Rider cost recovery mechanism uses a tracker account, shown in Attachment 4. This account summarizes total revenue requirements by project, credits retail revenue billed each month, and calculates the carrying cost. The Tracker included with this filing reflects actual information through October 2014 and projected information through 2016. The total amount of \$337,256 deferred appears as a credit on line 14 in December 2009. Amortization of this deferred amount began in April 2010, as shown on page 3, line 15 of Attachment 4, and continued through March 2014.

E. Calculation of 2015 RRA factor and Current rate design.

Otter Tail is proposing a change in rate design in this filing from the current charge per kW and kWh design to a percent-of-bill rate design. The following sections describe the current rate design and the proposed change to the rate design.

Current Rate Design

With respect to class allocations and rate design, the Settlement Agreement approved in Case No. PU-08-742 contains the following provision:

“OTP's 2010 Renewable Cost Recovery revenue requirement will be allocated between the customer classes with 20 percent allocated based on demand and 80 percent allocated based on energy. Within the LGS class, that classes' revenue

allocation will be collected through both a demand and energy charge using the same 20 percent demand, 80 percent energy allocation. The 20 percent is based on using MISO's capacity accreditation percentage for wind. MISO is expected to amend this initial determination based on studies it is currently performing, and the Parties agree that the allocation factor used by OTP will be adjusted as necessary to correspond with the weighted average level of capacity approved by MISO for the projects being recovered through the Renewable Resource Rider."

In addition, the Commission's Findings of Fact in its Order dated August 4, 2010 in Case No. PU-10-18, includes the following:

"Finally, the Commission finds that it is reasonable for Otter Tail Power to continue to consider and discuss in its future annual rider filings the MISO capacity accreditation and any changes thereto or another appropriate methodology for allocating capacity and energy, as that accreditation currently forms the basis for the inter- and intra-class allocations for the Renewable Resource Cost Recovery Adjustment Factor."

Ordering paragraph 4 of the Commission's August 4, 2010, Order in Case No. PU-10-18, requires Otter Tail to "continue to provide information in future Renewable Resource Cost Recovery Factor filings on capacity accreditation for wind projects."

Beginning in 2011, MISO began accrediting capacity based on each generation site's production. In November 2014 MISO provided the 2015/2016 capacity credits for each wind farm's generation verification test requirements (GVTC or maximum generating capacity), the megawatt generation (Production Percentage) and the wind capacity credit. These figures are shown in the table below. A weighted average is computed to determine an Otter Tail system-wide capacity accreditation average.

Resource	GVTC(MW)	Production Percentage (1)	Capacity Credit (2)	Weighted Average (1x2)
Ashtabula	48	34.78%	21.90%	7.62%
Langdon	40.5	29.35%	21.30%	6.25%
Luverne	49.5	35.87%	25.50%	9.15%
Total	138			23.02%

Based upon these updated accreditation percentages and consistent with the Commission's approved rate design approach for the current RRA, the rates per kW and per kWh for the large general service class, and the rate per kWh for all other customers are based on a 23.02 percent capacity factor. Calculations and the resulting rates are shown on Attachment 5.

The 23.02 percent weighted average capacity factor represents an increase compared to the 19.60 percent weighed average capacity factor used in the previous filing. There are two reasons why the numbers increased. First, the MISO system wide reliability discount decreased. MISO calculates this discount based on system wide figures and applies it to each individual wind resource. Second, production of Otter Tail's wind resources measured during MISO's eight highest summer peaks increased compared to last year. During the peak hour, the production at each wind resource is collected. The production during the summer of 2014 was higher than previous summers. Since the calculation is cumulative the variations in the capacity credit smooth out over time. In general, MISO uses an overall credit of 14.7 percent based on system wide wind average production so Otter Tail's production is still higher than the MISO footprint average. Under the current rate design, Otter Tail would use a 23.02 percent capacity factor for allocation of class revenue responsibility and rate design.

Proposed Rate Design Change to Percentage of Bill Method

In this filing, Otter Tail proposes to modify the rate design to a percent-of-bill method rather than the current kW/kWh split method. This method would compute the monthly charge by applying a percent to the base rate charges on a customer's bill. The customer's base rate charges in the bill are an appropriate reflection of each class of customers' cost of service, which includes energy and demand components. Otter Tail believes the percent-of-bill method provides a fair and suitably representative rate design for cost responsibility among and within classes. Furthermore, this method is also simpler to administer and eliminates some of the variability in allocations between demand and energy components within the current design. The percent-of-bill rate design is not new to Otter Tail. The Commission approved the percent-of-bill rate design for use in Otter Tail's Environmental Cost Recovery Rider. The rate design is shown on Attachment 5.

The resulting rates and bill impacts that reflect the change from the current kw/kwh rate design to the proposed new percent-of-bill rate design are shown below:

Proposed		LGS	All Others
Percent-of-bill		4.069%	4.069%
Typical Use			
	kW	1,000	n/a
	kWh	400,000	1000
Typical monthly bill impact [1]		\$1,076.66	\$3.52
Current		LGS	All Others
Rate/kW		\$0.489	n/a
Rate/kWh		\$0.00347	\$0.00440
Typical Use			
	kW	1,000	n/a
	kWh	400,000	1,000
Typical monthly bill impact [1]		\$1,877.00	\$4.40
Change in bill (reduction)		-\$800.34	-\$0.88
[1] This impact does not include an offset for a reduction in needed purchased power.			

For reference, as noted in Attachment 5, if the RRA rates were calculated to arrive at a flat kWh rate for all customers, the rate would be \$0.00287. As described above, Otter Tail recommends switching to the percent-of-bill method.

Additionally, the proposed 2015 RRA is calculated assuming the total proposed revenue requirement is effective April 1, 2015. If implementation of the 2015 RRA occurs after April 1, 2015, Otter Tail proposes that the RRA be adjusted to recover the approved revenue requirements over the remaining months of the period, through March 2016. This approach would ensure the cost recovery and the approved eligible costs match. If it is necessary to adjust the 2015 RRA, we propose to calculate the final 2015 RRA and include it with the corresponding rate schedule pages in a compliance filing in this case.

F. Customer notification.

Otter Tail will work with Commission staff on a notice to meet the requirements of the North Dakota rules. A draft notice is attached to this filing as Attachment 7.

IV. PROPOSED RATE SCHEDULE

Our revised rate schedule number 13.04 is provided in Attachment 6, in both redline and clean versions.

V. CONCLUSION

Otter Tail respectfully requests the Commission approve the 2015 Renewable Resource Cost Recovery Adjustment effective April 1, 2015, based on the tracker activity and cost recovery for the Langdon, Ashtabula, and Luverne Wind projects.

Dated: December 31, 2014

Respectfully Submitted,

OTTER TAIL POWER COMPANY

By: /s/ ANTHONY HARRIS

Anthony Harris

Rates Analyst, Regulatory Administration

Otter Tail Power Company

215 South Cascade Street

Fergus Falls, MN 56538-0496

218-739-8564

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OTTER TAIL POWER COMPANY
RENEWABLE RESOURCE RIDER 2014 RRA FACTOR FILING ATTACHMENTS

Attachment 1	Langdon revenue requirements calculation
Attachment 2	Ashtabula revenue requirements calculation
Attachment 3	Luverne revenue requirements calculation
Attachment 4	Renewable Resource Tracker report
Attachment 5	Class allocation, rate design alternatives, and projected revenue
Attachment 6	Updated Renewable Resource Rider (redline and clean versions)
Attachment 7	Customer Notice

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79

Line	2007						2008						2008 YE Balance	
	Actual Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Actual Oct-08	Actual Nov-08		Actual Dec-08
1	RATE BASE													
2	65,000,000.00	74,049,389.86	74,049,389.86	77,066,651.71	77,068,541.12	77,113,375.74	77,826,261.74	77,966,938.63	77,967,738.96	77,803,738.96	77,803,738.96	77,803,739.00	77,977,924.00	
3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	0.00	(216,666.67)	(463,497.97)	(710,329.27)	(967,218.10)	(1,224,113.24)	(1,481,157.83)	(1,740,578.70)	(2,000,468.50)	(2,260,360.96)	(2,519,706.76)	(2,779,052.55)	(3,038,398.35)	
5	65,000,000.00	73,832,723.19	73,585,891.89	76,356,322.44	76,101,323.02	75,889,262.50	76,345,103.91	76,226,359.93	75,967,270.46	75,543,378.00	75,284,032.20	75,024,686.45	74,759,525.65	
6	0.00	0.00	0.00	0.00	0.00	0.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	
7	(1,274,812.50)	(2,141,343.79)	(2,996,043.00)	(3,850,742.21)	(4,701,496.36)	(5,552,248.03)	(6,402,941.08)	(7,252,702.03)	(8,102,279.05)	(8,951,855.02)	(9,801,645.42)	(10,651,435.82)	(11,501,226.22)	
8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	8,311,477.00	8,311,477.00	8,311,477.00	10,121,474.80	10,121,474.80	10,121,474.80	10,121,474.80	10,121,474.80	10,256,637.85	10,256,637.85	10,256,637.85	10,256,637.85	10,231,165.60 x	
11	(2,909,016.95)	(2,909,016.95)	(2,909,016.95)	(3,542,516.18)	(3,542,516.18)	(3,542,516.18)	(3,542,516.18)	(3,542,516.18)	(3,589,823.25)	(3,589,823.25)	(3,589,823.25)	(3,589,823.25)	(3,580,907.96) x	
12	(9,717,500.00)	(9,685,000.00)	(9,652,500.00)	(11,423,903.53)	(11,385,309.26)	(11,346,714.99)	(11,308,120.72)	(11,269,526.45)	(11,365,632.34)	(11,326,575.18)	(11,287,518.02)	(11,248,460.86)	(11,184,019.90) x	
13	3,401,125.00	3,389,375.00	3,378,375.00	3,998,366.24	3,984,858.25	3,971,350.26	3,957,842.27	3,944,334.28	3,977,971.35	3,964,301.35	3,950,631.35	3,936,961.35	3,914,407.01 x	
14	62,811,272.55	70,798,589.45	69,718,183.94	71,659,001.56	70,578,334.27	69,540,608.36	69,453,520.00	68,510,101.35	67,426,822.03	66,178,740.75	65,094,991.71	64,011,242.72	62,921,621.18	
15														
16	62,811,272.55	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	67,592,540.76	
17														
18	8.88%	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	
19														
20	6.00%	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	
21													4,053,017.73	
22	EXPENSES													
23	<i>O&M and Depreciation</i>													
24	0	37,500.00	68,393.00	274,370.00	85,072.54	134,193.11	36,443.21	112,686.00	92,774.00	698.00	59,989.86	57,769.76	58,036.86	
25	0	216,666.67	246,831.30	246,831.30	256,888.84	256,895.14	257,044.59	259,420.87	259,889.80	259,892.46	259,345.80	259,345.80	3,038,398.35	
26	0	254,166.67	315,224.30	521,201.30	341,961.38	391,088.25	293,487.80	372,106.87	352,663.80	260,590.46	319,335.66	317,115.56	317,382.66	
27													4,056,324.69	
28	<i>Income before Taxes</i>													
29		337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	337,751.48	
30		(129,319.00)	(142,834.00)	(212,711.00)	(312,418.00)	(257,313.00)	(246,629.00)	(182,887.00)	(229,562.97)	(188,098.89)	(327,798.03)	(253,756.78)	(323,120.28)	
31		(32,500.00)	(32,500.00)	(38,594.27)	(38,594.27)	(38,594.27)	(38,594.27)	(38,594.27)	(39,057.16)	(39,057.16)	(39,057.16)	(39,057.16)	(38,968.71)	
32		11,375.00	11,375.00	13,507.99	13,507.99	13,507.99	13,507.99	13,507.99	13,670.00	13,670.00	13,670.00	13,670.00	13,639.05	
33		187,307.48	173,792.48	99,954.20	247.20	55,352.20	66,036.20	129,778.20	82,801.35	124,265.43	(15,433.71)	58,607.54	(10,698.46)	
34	1.645413	308,198.23	285,960.47	164,465.98	406.74	91,077.25	108,656.84	213,538.79	136,242.45	204,468.00	(25,394.84)	96,433.63	(17,603.39)	
35													1,566,450.15	
36	<i>Income Taxes</i>													
37	39.225%	120,890.76	112,168.00	64,511.78	159.54	35,725.05	42,620.65	83,760.59	53,441.10	80,202.57	(9,961.13)	37,826.09	(6,904.93)	
38	32.725%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	6.50%	(129,319.00)	(142,834.00)	(212,711.00)	(312,418.00)	(257,313.00)	(246,629.00)	(182,887.00)	(229,562.97)	(188,098.89)	(327,798.03)	(253,756.78)	(323,120.28)	
40		(32,500.00)	(32,500.00)	(38,594.27)	(38,594.27)	(38,594.27)	(38,594.27)	(38,594.27)	(39,057.16)	(39,057.16)	(39,057.16)	(39,057.16)	(38,968.71)	
41		11,375.00	11,375.00	13,507.99	13,507.99	13,507.99	13,507.99	13,507.99	13,670.00	13,670.00	13,670.00	13,670.00	13,639.05	
42		(29,553.24)	(51,791.00)	(173,285.50)	(337,344.74)	(246,674.23)	(229,094.63)	(124,212.69)	(201,509.03)	(133,283.48)	(363,146.32)	(241,317.84)	(355,354.87)	
43													(2,486,567.57)	
44	REVENUE REQUIREMENTS													
45		224,613.42	263,433.29	347,915.80	4,616.64	144,414.02	64,393.16	247,894.18	151,154.77	127,306.99	(43,810.66)	75,797.71	(37,972.21)	
46		500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	500,328.44	
47														
48		724,941.86	763,761.73	848,244.23	504,945.08	644,742.45	564,721.60	748,222.62	651,483.20	627,635.42	456,517.78	576,126.15	462,356.22	
49													7,573,698.34	
50														
51	38.830%	281,494.92	296,568.68	329,373.24	196,070.17	250,353.49	219,281.40	290,534.84	252,970.93	243,710.83	177,265.85	223,709.78	179,532.92	
													<u>2,940,867.07</u>	

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79 2008

2009

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost	Effective 12-1-2009	Ratio	Cost	WA Cost						
1	MN Capstructure with allowed ROE per order.													
2	Capital Structure													
3	Debt	43.10%	6.30%	2.72%	43.10%	6.30%	2.72%							
4	Preferred equity	3.60%	4.75%	0.17%	3.60%	4.75%	0.17%							
5	Common equity	53.30%	11.25%	6.00%	53.30%	10.75%	5.73%							
6	Total	100.00%		8.88%	100.00%		8.62%							
7														
8														
9	Federal Production Tax Credit													
10	Federal PTC Rate	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
11	Output (MWH) / month	17,215	13,735	15,608	12,836	13,838	9,788	10,800	9,772	12,958	10,194	15,469	16,051	158,264
12	Federal PTC Available based on production	x 361,515	288,438	327,770	269,561	290,605	205,542	226,792	205,206	272,118	214,081	324,847	337,073	3,323,547
13	Federal PTC Used on tax return	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Deferred	361,515	288,438	327,770	269,561	290,605	205,542	226,792	205,206	272,118	214,081	324,847	337,073	3,323,547
15	Accumulated Deferred	361,515	649,953	977,723	1,247,284	1,537,888	1,743,430	1,970,222	2,175,428	2,447,546	2,661,627	2,986,474	3,323,547	
16														
17	Deferred Tax													
18	Book depr. rate	3.9222%	3.9222%	3.9222%	3.9222%	3.9414%	3.9414%	3.9414%	3.9414%	3.9414%	3.9414%	3.9414%	3.9414%	3.9414%
19	Book depreciation	x 254,282.51	254,282.51	254,282.51	254,282.51	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	3,059,314.25
20	Tax depreciation-ND	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	18,171,835.59
21	Tax depreciation-Federal	x 1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	1,514,319.63	18,171,835.59
22	Book vs. tax depreciation	x (1,260,037.12)	(1,260,037.12)	(1,260,037.12)	(1,260,037.12)	(1,259,163.15)	(1,259,163.15)	(1,259,163.15)	(1,259,163.15)	(1,259,163.15)	(1,258,852.37)	(1,258,852.37)	(1,258,852.37)	(15,112,521.35)
23	Federal & State deferred income taxes	(493,430.54)	(493,430.54)	(493,430.54)	(493,430.54)	(493,088.29)	(493,088.29)	(493,088.29)	(493,088.29)	(493,088.29)	(492,966.59)	(492,966.59)	(492,966.59)	(5,918,063.36)
24														
25	Additional Tax Basis (permanent difference)													0.00
26	Tax Impact-ND													0.00
27	Tax Impact-Federal													0.00
28	Total Tax Impact													0.00
	PROOF	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Year End 2009
1	Revenue	370,805.06	436,062.40	465,553.50	466,670.31	502,156.99	585,888.03	572,228.84	583,255.05	450,591.44	602,056.35	392,192.73	273,522.41	5,700,983.10
2														
3	Expenses													
4	O/M and Book Depreciation	367,038.21	312,182.05	406,320.87	311,762.67	381,837.81	325,755.26	347,023.61	322,569.60	299,876.60	355,948.84	328,146.02	251,559.76	4,010,021.33
5	Interest on Debt	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	136,298.34	1,635,580.04
6														
7	Income Taxes													
8	Current Income Tax	(548,691.20)	(501,654.76)	(526,970.80)	(489,504.47)	(502,707.06)	(447,956.06)	(461,633.69)	(447,739.63)	(490,804.12)	(453,326.65)	(524,621.66)	(541,101.78)	(5,936,711.87)
9	Deferred Income Tax	493,430.54	493,430.54	493,430.54	493,430.54	493,088.29	493,088.29	493,088.29	493,088.29	493,088.29	492,966.59	492,966.59	492,966.59	5,918,063.36
10	Permanent Tax Difference - 30% Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit													
12	Generated PTC	(361,515.04)	(288,437.98)	(327,769.66)	(269,560.98)	(290,604.59)	(205,541.99)	(226,791.92)	(205,205.74)	(272,118.00)	(214,081.10)	(324,846.90)	(337,073.50)	(3,323,547.40)
13	Deferred PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	ND Investment Tax Credit													
15	Current ITC	(25,329.66)	(25,329.66)	(25,329.66)	(25,329.66)	(25,329.66)	(25,329.66)	(25,329.66)	(25,329.66)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(303,931.40)
16	Deferred ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses	61,231.18	126,488.53	155,979.63	157,096.44	192,583.12	276,314.17	262,654.98	273,681.20	141,017.58	292,482.49	82,618.86	(22,674.12)	1,999,474.06
18														
19	Net Income before preferred dividend	309,573.88	309,573.87	309,573.87	309,573.86	309,573.87	309,573.86	309,573.86	309,573.86	309,573.87	309,573.86	309,573.87	296,196.53	3,701,509.04
20	Dividend on Preferred Stock	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(8,583.59)	(103,003.05)
21														
22	Income available for Common Stock	300,990.29	300,990.28	300,990.28	300,990.28	300,990.28	300,990.27	300,990.27	300,990.27	300,990.28	300,990.27	300,990.28	287,612.94	3,598,505.99
23														
24	Average Rate Base	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89	60,235,702.89
25	Equity Percent	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	2,675,469.14	32,105,629.64
26	Return on Equity Check	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	10.75%
27														
28	Tax Calculation													
29	Income Before Income Taxes													
30	Net Income after prfd	300,990.29	300,990.28	300,990.28	300,990.28	300,990.28	300,990.27	300,990.27	300,990.27	300,990.28	300,990.27	300,990.28	287,612.94	3,598,505.99
31	Less Income Taxes	(442,105.37)	(321,991.86)	(386,639.59)	(290,964.57)	(325,553.03)	(185,739.42)	(220,666.97)	(185,186.74)	(295,157.36)	(199,764.69)	(381,825.50)	(410,532.22)	(3,646,127.31)
32	Total	(141,115.08)	(21,001.58)	(85,649.30)	10,025.71	(24,562.75)	115,250.85	80,323.30	115,803.53	5,832.92	101,225.58	(80,835.22)	(122,919.28)	(47,621.32)
33														
34	Book Depreciation	254,282.51	254,282.51	254,282.51	254,282.51	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	255,156.48	3,059,314.25
35	Tax Depreciation	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(1,514,319.63)	(18,171,835.59)
36	Tax Depreciation - Permanent Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income	(1,401,152.20)	(1,281,038.70)	(1,345,686.42)	(1,250,011.41)	(1,283,725.90)	(1,143,912.31)	(1,178,839.85)	(1,143,359.62)	(1,253,330.23)	(1,157,626.79)	(1,339,687.59)	(1,381,771.65)	(15,160,142.67)
38	Current income tax	(548,691.20)	(501,654.76)	(526,970.80)	(489,504.47)	(502,707.06)	(447,956.06)	(461,633.69)	(447,739.63)	(490,804.12)	(453,326.65)	(524,621.66)	(541,101.78)	(5,936,711.87)
39	Tie to RR calculation													
40	Total Tax	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)
41	Income Requirement for Return	0.01	0.00	0.01	(0.00)	0.00	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	0.01	0.01	(53.51)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

Line	356.79	2009					2010					2010 YE Balance		
		Balance Dec-09	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10		Actual Oct-10	Actual Nov-10
RATE BASE														
1														
2		77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85
3		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4		(6,097,712.59)	(6,351,907.58)	(6,606,102.56)	(6,860,297.54)	(7,114,492.53)	(7,368,687.51)	(7,622,882.49)	(7,877,077.47)	(8,131,272.46)	(8,385,467.44)	(8,639,662.42)	(8,893,857.41)	(9,148,052.39)
5		71,682,664.26	71,428,469.27	71,174,274.29	70,920,079.31	70,665,884.32	70,411,689.34	70,157,494.36	69,903,299.38	69,649,104.39	69,394,909.41	69,140,714.43	68,886,519.44	68,632,324.46
6		282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00	282,677.00
7		(17,419,289.58)	(17,675,436.84)	(17,931,584.11)	(18,187,731.37)	(18,443,878.63)	(18,700,025.89)	(18,956,173.15)	(19,212,320.41)	(19,468,467.67)	(19,724,614.93)	(19,980,762.19)	(20,236,909.46)	(20,493,056.72)
8		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9		3,323,547.40	3,627,896.48	3,817,426.57	3,227,107.20	3,504,176.70	3,828,693.11	3,202,236.06	3,402,525.79	3,645,236.53	3,131,892.19	3,456,341.85	3,724,098.70	3,182,670.33
10		10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53
11		(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73) x
12		(10,713,801.03)	(10,674,841.75)	(10,635,882.47)	(10,596,923.19)	(10,557,963.91)	(10,519,004.63)	(10,480,045.35)	(10,441,086.07)	(10,402,126.79)	(10,363,167.51)	(10,324,208.23)	(10,285,248.95)	(10,246,289.67) x
13		3,749,830.38	3,736,194.63	3,722,558.88	3,708,923.13	3,695,287.38	3,681,651.63	3,668,015.88	3,654,380.13	3,640,744.38	3,627,108.63	3,613,472.88	3,599,837.13	3,586,201.38 x
14		57,554,175.22	57,373,505.59	57,078,016.96	56,002,678.88	55,794,729.66	55,634,227.36	54,522,751.59	54,238,022.62	53,995,714.64	52,997,351.58	52,836,782.53	52,619,520.67	51,593,073.59
15														
16		60,235,702.89	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68
17														
18			393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22
19														
20			261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02
21														
22														
EXPENSES														
23														
24			98,634.17	74,192.92	89,910.48	89,648.81	99,795.19	115,815.87	77,007.66	77,688.87	172,042.23	64,322.26	171,211.94	15,056.33
25			254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98
26		0	352,829.15	328,387.90	344,105.46	343,843.79	353,990.17	370,010.85	331,202.64	331,883.85	426,237.21	318,517.24	425,406.92	269,251.31
27														
28														
29			261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02	261,600.02
30		0	(304,349.08)	(189,530.09)	(240,567.38)	(277,069.50)	(324,516.41)	(204,429.70)	(200,289.74)	(242,710.73)	(317,542.41)	(324,449.66)	(267,756.85)	(289,458.38)
31			(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)
32			13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75
33			(68,072.59)	46,746.40	(4,290.89)	(40,793.01)	(88,239.92)	31,846.79	35,986.75	(6,434.24)	(81,265.92)	(88,173.17)	(31,480.36)	(53,181.89)
34		1.643655	(111,887.85)	76,834.96	(7,052.75)	(67,049.63)	(145,035.99)	52,345.14	59,149.80	(10,575.68)	(133,573.14)	(144,926.28)	(51,742.86)	(87,412.68)
35														
36														
37		39.160%	(43,815.28)	30,088.57	(2,761.86)	(26,256.64)	(56,796.09)	20,498.36	23,163.06	(4,141.43)	(52,307.24)	(56,753.13)	(20,262.50)	(34,230.80)
38		32.760%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39		6.40%	(304,349.08)	(189,530.09)	(240,567.38)	(277,069.50)	(324,516.41)	(204,429.70)	(200,289.74)	(242,710.73)	(317,542.41)	(324,449.66)	(267,756.85)	(289,458.38)
40			(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)
41			13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	13,635.75
42			(373,487.89)	(184,765.05)	(268,652.77)	(328,649.66)	(406,636.04)	(209,254.87)	(202,450.21)	(272,175.70)	(395,173.18)	(406,526.33)	(313,342.88)	(349,012.71)
43														
44														
REVENUE REQUIREMENTS														
45														
46			(20,658.74)	143,622.85	75,452.69	15,194.13	(52,645.86)	160,755.98	128,752.44	59,708.16	31,064.03	(88,009.08)	112,064.04	(79,761.40)
47			393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22	393,378.22
48														
49			372,719.48	537,001.07	468,830.91	408,572.35	340,732.35	554,134.20	522,130.66	453,086.37	424,442.25	305,369.14	505,442.26	313,616.82
50														
51		41.018%	152,881.98	220,266.97	192,304.95	167,588.10	139,761.51	227,294.63	214,167.42	185,846.86	174,097.61	125,256.24	207,322.18	128,639.27
														<u>2,135,427.71</u>

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79 2009

2010

SUPPORTING INFORMATION / DATA													
Line		Ratio	Cost	WA Cost									
1	MN Capstructure with allowed ROE per order.												
2	Capital Structure												
3	Debt	43.10%	6.30%	2.72%									
4	Preferred equity	3.60%	4.75%	0.17%									
5	Common equity	53.30%	10.75%	5.73%									
6	Total	100.00%		8.62%									
7													
8													
9	Federal Production Tax Credit												
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000
11	Output (MWH) / month	0	13,834	8,615	10,935	12,594	14,751	9,292	9,104	11,032	14,434	14,748	12,171
12	Federal PTC Available based on production	0	304,349	189,530	240,567	277,069	324,516	204,430	200,290	242,711	317,542	324,450	267,757
13	Federal PTC Used on tax return		0	0	830,887	0	0	830,887	0	0	830,887	0	0
14	Deferred		304,349	189,530	(590,319)	277,069	324,516	(626,457)	200,290	242,711	(513,344)	324,450	267,757
15	Accumulated Deferred		3,627,896	3,817,427	3,227,107	3,504,177	3,828,693	3,202,236	3,402,526	3,645,237	3,131,892	3,456,342	3,724,099
16													
17	Deferred Tax												
18	Book depr. rate	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%	3.921734%
19	Book depreciation	0	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98
20	Tax depreciation-ND		908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33
21	Tax depreciation-Federal		908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33	908,299.33
22	Book vs. tax depreciation		(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)	(654,104.34)
23	Federal & State deferred income taxes	0	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)	(256,147.26)
24													
25	Additional Tax Basis (permanent difference)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Tax Impact-ND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Tax Impact-Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Total Tax Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PROOF		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10
												Dec-10	Year End 2010
1	Revenue		372,719.48	537,001.07	468,830.91	408,572.35	340,732.35	554,134.20	522,130.66	453,086.37	424,442.25	305,369.14	505,442.26
2													
3	Expenses												
4	O/M and Book Depreciation		352,829.15	328,387.90	344,105.46	343,843.79	353,990.17	370,010.85	331,202.64	331,883.85	426,237.21	318,517.24	425,406.92
5	Interest on Debt		123,970.95	123,970.95	123,970.95	123,970.95	123,970.95	123,970.95	123,970.95	123,970.95	123,970.95	123,970.95	123,970.95
6													
7	Income Taxes												
8	Current Income Tax		(299,962.55)	(226,058.69)	(258,909.12)	(282,403.90)	(312,943.37)	(235,648.90)	(232,984.19)	(260,288.70)	(308,454.51)	(312,900.40)	(276,409.77)
9	Deferred Income Tax		256,147.26	256,147.26	256,147.26	256,147.26	256,147.26	256,147.26	256,147.26	256,147.26	256,147.26	256,147.26	256,147.26
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit												
12	Generated PTC		0.00	0.00	(830,886.75)	0.00	0.00	(830,886.75)	0.00	0.00	(830,886.75)	0.00	0.00
13	Deferred PTC		(304,349.08)	(189,530.09)	590,319.37	(277,069.50)	(324,516.41)	626,457.05	(200,289.74)	(242,710.73)	513,344.34	(324,449.66)	(267,756.85)
14	ND Investment Tax Credit												
15	Current ITC		(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses		103,312.20	267,593.81	199,423.64	139,165.07	71,325.07	284,726.93	252,723.39	183,679.10	155,034.97	35,961.85	236,034.98
18													
19	Net Income before preferred dividend		269,407.28	269,407.27	269,407.27	269,407.28	269,407.28	269,407.27	269,407.27	269,407.27	269,407.28	269,407.28	269,407.27
20	Dividend on Preferred Stock		(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)	(7,807.25)
21													
22	Income available for Common Stock		261,600.03	261,600.01	261,600.02	261,600.02	261,600.03	261,600.02	261,600.01	261,600.02	261,600.03	261,600.03	261,600.02
23													
24	Average Rate Base		54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68	54,787,734.68
25	Equity Percent		2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55	2,433,488.55
26	Return on Equity Check		10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27													
28	Tax Calculation												
29	Income Before Income Taxes												
30	Net Income after prfd		261,600.03	261,600.01	261,600.02	261,600.02	261,600.03	261,600.02	261,600.01	261,600.02	261,600.03	261,600.03	261,600.02
31	Less Income Taxes		(373,487.90)	(184,765.04)	(268,652.77)	(328,649.67)	(406,636.05)	(209,254.87)	(202,450.20)	(272,175.70)	(395,173.19)	(406,526.34)	(313,342.89)
32	Total		(111,887.87)	76,834.97	(7,052.75)	(67,049.64)	(145,036.02)	52,345.15	59,149.81	(10,575.68)	(133,573.16)	(144,926.31)	(51,742.87)
33													
34	Book Depreciation		254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98	254,194.98
35	Tax Depreciation		(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)	(908,299.33)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income		(765,992.22)	(577,269.37)	(661,157.09)	(721,153.99)	(799,140.36)	(601,759.20)	(594,954.53)	(664,680.02)	(787,677.21)	(799,030.65)	(705,847.21)
38	Current income tax		(299,962.55)	(226,058.69)	(258,909.12)	(282,403.90)	(312,943.37)	(235,648.90)	(232,984.19)	(260,288.70)	(308,454.51)	(312,900.40)	(276,409.77)
39	Tie to RR calculation												
40	Total Tax		(0.01)	0.01	(0.00)	(0.00)	(0.01)	0.00	0.00	(0.00)	(0.01)	(0.01)	(0.00)
41	Income Requirement for Return		0.01	(0.01)	0.00	0.00	0.01	(0.00)	(0.00)	0.00	0.01	0.01	0.00

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

Line	356.79	2010						2011						2011 YE Balance	
		Balance Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11		Actual Dec-11
RATE BASE															
1															
2	Plant Balance - Langdon	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	77,780,376.85	78,263,066.03	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(9,148,052.39)	(9,402,247.47)	(9,656,442.55)	(9,910,637.63)	(10,164,832.71)	(10,419,027.79)	(10,673,222.87)	(10,927,417.95)	(11,181,613.03)	(11,435,808.11)	(11,690,003.19)	(11,944,198.27)	(11,817,300.03)	
5	Net Plant in Service	68,632,324.46	68,378,129.38	68,123,934.30	67,869,739.22	67,615,544.14	67,361,349.06	67,107,153.98	66,852,958.90	66,598,763.82	66,344,568.74	66,090,373.66	65,836,178.58	66,445,766.00	
6	Inventory	282,677.00	282,677.00	282,677.00	277,342.88	277,342.88	267,506.07	267,506.07	267,506.07	260,593.88	260,593.88	260,593.88	260,593.88	233,176.65	
7	Accum. Deferred Inc. Taxes - Fed & State	(20,493,056.72)	(20,694,753.78)	(20,896,450.85)	(21,098,147.91)	(21,299,844.98)	(21,501,542.04)	(21,703,239.11)	(21,904,936.18)	(22,106,633.24)	(22,308,330.31)	(22,510,027.37)	(22,711,724.44)	(22,913,421.50)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	3,182,670.33	3,455,978.58	3,860,747.51	4,121,893.96	4,401,922.61	4,743,512.98	5,004,296.49	5,199,414.62	5,433,502.63	5,732,001.12	6,081,206.08	6,461,348.22	6,816,005.31	
10	Accum. Deferred Inc. Taxes - ND ITC	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	10,228,533.53	3,249,895.93	3,249,895.93	3,249,895.93	3,249,895.93	3,249,895.93	3,249,895.93	3,322,299.31 x	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(3,579,986.73)	(1,137,463.57)	(1,137,463.57)	(1,137,463.57)	(1,137,463.57)	(1,137,463.57)	(1,137,463.57)	(1,162,804.75) x	
12	Accum. Deferred Inc. Taxes - ND ITC	(10,246,289.67)	(10,207,330.39)	(10,168,371.11)	(10,129,411.83)	(10,090,452.55)	(10,051,493.27)	(3,060,945.38)	(3,049,035.09)	(3,037,124.80)	(3,025,214.51)	(3,013,304.22)	(3,001,393.93)	(3,061,599.70) x	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	3,586,201.38	3,572,565.63	3,558,929.88	3,545,294.13	3,531,658.38	3,518,022.63	1,071,330.87	1,067,162.27	1,062,993.67	1,058,825.07	1,054,656.46	1,050,487.86	1,071,559.88 x	
14	End of month rate base	51,593,073.59	51,435,813.21	51,410,013.53	51,235,257.24	51,084,717.28	50,985,902.22	50,798,535.28	50,545,502.96	50,324,528.32	50,174,876.35	50,075,930.85	50,007,922.53	50,750,981.20	
15															
16	Average rate base	54,787,734.68	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	
17															
18	Return on Rate Base		364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	4,377,106.20	
19															
20	Available for return (equity portion of rate base)		242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	2,910,814.61	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expenses		47,161.15	173,038.98	88,526.47	47,028.33	157,401.46	69,168.48	65,619.56	80,610.06	79,966.19	32,528.52	128,051.59	144,701.02	1,113,801.81
25	Book Depreciation	0	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	3,050,340.96	
26	Total O&M and Depreciation Expense	0	301,356.23	427,234.06	342,721.55	301,223.41	411,596.54	323,363.56	319,814.64	334,805.14	334,161.27	286,723.60	382,246.67	4,164,142.77	
27															
28	Income before Taxes														
29	Available for return (from above)		242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	242,567.88	2,910,814.61	
30	Less book tax credits - Federal PTC		(273,308.24)	(404,768.94)	(261,146.45)	(280,028.65)	(341,590.37)	(260,783.51)	(195,118.13)	(234,088.01)	(298,498.49)	(349,204.97)	(380,142.14)	(354,657.09)	
31	Less book tax credits - ND ITC		(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(11,910.29)	(11,910.29)	(11,910.29)	(11,910.29)	(11,910.29)	(11,910.29)	(12,197.61)	
32	ND ITC - Federal impact		13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	4,168.60	4,168.60	4,168.60	4,168.60	4,168.60	4,269.16	97,459.52	
33	Adjusted Income before interest and taxes		(56,063.89)	(187,524.58)	(43,902.09)	(62,784.30)	(124,346.02)	(25,957.32)	39,708.06	738.19	(63,672.29)	(114,378.77)	(145,315.94)	(903,516.60)	
34	Taxable Income (grossed up)	1.621994	(90,935.29)	(304,163.75)	(71,208.93)	(101,835.75)	(201,688.49)	(42,102.61)	64,406.24	1,197.34	(103,276.07)	(185,521.68)	(235,701.58)	(1,465,498.50)	
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	(34,871.87)	(116,640.71)	(27,307.20)	(39,051.97)	(77,343.50)	(16,145.51)	24,698.51	459.15	(39,604.31)	(71,143.85)	(90,386.84)	(74,651.26)	
38	Tax Adjustment for Additional Tax Basis	33.198%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	5.15%	(273,308.24)	(404,768.94)	(261,146.45)	(280,028.65)	(341,590.37)	(260,783.51)	(195,118.13)	(234,088.01)	(298,498.49)	(349,204.97)	(380,142.14)	(354,657.09)	
40	ND ITC		(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(38,959.28)	(11,910.29)	(11,910.29)	(11,910.29)	(11,910.29)	(11,910.29)	(11,910.29)	(12,197.61)	
41	ND ITC - Federal impact		13,635.75	13,635.75	13,635.75	13,635.75	13,635.75	4,168.60	4,168.60	4,168.60	4,168.60	4,168.60	4,269.16	97,459.52	
42	Total Income Tax Expense		(333,503.64)	(546,733.18)	(313,777.18)	(344,404.15)	(444,257.40)	(284,670.71)	(178,161.32)	(241,370.54)	(345,844.48)	(428,090.51)	(478,270.67)	(4,376,320.58)	
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		(32,147.41)	(119,499.12)	28,944.37	(43,180.74)	(32,660.86)	38,692.85	141,653.32	93,434.60	(11,683.21)	(141,366.91)	(96,024.00)	(38,340.70)	
47	Return on rate base		364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	364,758.85	4,377,106.20	
48															
49	Total revenue requirements		332,611.44	245,259.73	393,703.22	321,578.11	332,097.99	403,451.70	506,412.17	458,193.45	353,075.64	223,391.94	268,734.85	4,164,928.39	
50															
51	North Dakota share - E2 factor	41.018%	136,430.48	100,600.57	161,489.09	131,904.83	136,219.87	165,487.72	207,720.02	187,941.67	144,824.48	91,630.85	110,229.59	1,708,369.29	

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79 2010

2011

SUPPORTING INFORMATION / DATA													
Line		Ratio	Cost	WA Cost									
1	MN Capstructure with allowed ROE per order.												
2	Capital Structure												
3	Debt	43.10%	6.30%	2.72%									
4	Preferred equity	3.60%	4.75%	0.17%									
5	Common equity	53.30%	10.75%	5.73%									
6	Total	100.00%		8.62%									
7													
8													
9	Federal Production Tax Credit												
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000
11	Output (MWH) / month	0	12,423	18,399	11,870	12,729	15,527	11,854	8,869	9,606	13,568	15,873	17,279
12	Federal PTC Available based on production	0	273,308	404,769	261,146	280,029	341,590	260,784	195,118	234,088	298,498	349,205	380,142
13	Federal PTC Used on tax return		0	0	0	0	0	0	0	0	0	0	0
14	Deferred		273,308	404,769	261,146	280,029	341,590	260,784	195,118	234,088	298,498	349,205	380,142
15	Accumulated Deferred		3,455,979	3,860,748	4,121,894	4,401,923	4,743,513	5,004,296	5,199,415	5,433,503	5,732,001	6,081,206	6,461,348
16													
17	Deferred Tax												
18	Book depr. rate	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%	3.921735%
19	Book depreciation	0	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08
20	Tax depreciation-ND		780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10
21	Tax depreciation-Federal		780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10	780,160.10
22	Book vs. tax depreciation		(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)	(525,965.02)
23	Federal & State deferred income taxes	0	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)	(201,697.07)
24													
25	Additional Tax Basis (permanent difference)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Tax Impact-ND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Tax Impact-Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Total Tax Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PROOF		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11
												Dec-11	Year End 2011
1	Revenue		332,611.44	245,259.73	393,703.22	321,578.11	332,097.99	403,451.70	506,412.17	458,193.45	353,075.64	223,391.94	268,734.85
2													
3	Expenses												
4	O/M and Book Depreciation		301,356.23	427,234.06	342,721.55	301,223.41	411,596.54	323,363.56	319,814.64	334,805.14	334,161.27	286,723.60	382,246.67
5	Interest on Debt		114,951.71	114,951.71	114,951.71	114,951.71	114,951.71	114,951.71	114,951.71	114,951.71	114,951.71	114,951.71	114,951.71
6													
7	Income Taxes												
8	Current Income Tax		(236,569.11)	(318,338.37)	(229,004.40)	(240,749.24)	(279,040.96)	(217,842.66)	(176,998.43)	(201,237.91)	(241,301.58)	(272,841.28)	(292,084.37)
9	Deferred Income Tax		201,697.07	201,697.07	201,697.07	201,697.07	201,697.07	201,697.07	201,697.07	201,697.07	201,697.07	201,697.07	201,697.07
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit												
12	Generated PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Deferred PTC		(273,308.24)	(404,768.94)	(261,146.45)	(280,028.65)	(341,590.37)	(260,783.51)	(195,118.13)	(234,088.01)	(298,498.49)	(349,204.97)	(380,142.14)
14	ND Investment Tax Credit												
15	Current ITC		(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(25,323.53)	(7,741.69)	(7,741.69)	(7,741.69)	(7,741.69)	(7,741.69)	(7,741.69)
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses		82,804.13	(4,548.00)	143,895.95	71,770.77	82,290.46	153,644.48	256,605.16	208,386.31	103,268.30	(26,415.56)	18,927.26
18													
19	Net Income before preferred dividend		249,807.31	249,807.73	249,807.28	249,807.34	249,807.53	249,807.22	249,807.01	249,807.13	249,807.34	249,807.50	249,807.52
20	Dividend on Preferred Stock		(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)	(7,239.25)
21													
22	Income available for Common Stock		242,568.06	242,568.48	242,568.02	242,568.08	242,568.28	242,567.97	242,567.76	242,567.88	242,568.09	242,568.25	242,568.34
23													
24	Average Rate Base		50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43	50,801,773.43
25	Equity Percent		2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44	2,256,445.44
26	Return on Equity Check		10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27													
28	Tax Calculation												
29	Income Before Income Taxes												
30	Net Income after prfd		242,568.06	242,568.48	242,568.02	242,568.08	242,568.28	242,567.97	242,567.76	242,567.88	242,568.09	242,568.25	242,568.34
31	Less Income Taxes		(333,503.82)	(546,733.77)	(313,777.32)	(344,404.35)	(444,257.80)	(284,670.79)	(178,161.19)	(241,370.54)	(345,844.68)	(428,090.87)	(478,271.13)
32	Total		(90,935.76)	(304,165.29)	(71,209.29)	(101,836.27)	(201,689.52)	(42,102.83)	64,406.57	1,197.34	(103,276.60)	(185,522.62)	(235,702.78)
33													
34	Book Depreciation		254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08	254,195.08
35	Tax Depreciation		(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)	(780,160.10)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income		(616,900.77)	(830,130.31)	(597,174.31)	(627,801.29)	(727,654.54)	(568,067.85)	(461,558.45)	(524,767.68)	(629,241.62)	(711,487.64)	(761,667.80)
38	Current income tax		(236,569.11)	(318,338.37)	(229,004.40)	(240,749.24)	(279,040.96)	(217,842.66)	(176,998.43)	(201,237.91)	(241,301.58)	(272,841.28)	(292,084.37)
39	Tie to RR calculation												
40	Total Tax		(0.18)	(0.59)	(0.14)	(0.20)	(0.39)	(0.08)	0.13	0.00	(0.20)	(0.36)	(0.46)
41	Income Requirement for Return		0.18	0.59	0.14	0.20	0.39	0.08	(0.13)	(0.00)	0.20	0.36	0.46

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

Line	356.79	2011					2012					2012 YE Balance		
		Balance Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12		Actual Oct-12	Actual Nov-12
RATE BASE														
1														
2	Plant Balance - Langdon	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03	78,263,066.03
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Accumulated Depreciation	(11,817,300.03)	(12,074,868.05)	(12,332,436.07)	(12,590,004.10)	(12,847,572.12)	(13,105,140.14)	(13,362,708.16)	(13,620,283.73)	(13,877,915.88)	(14,135,548.03)	(14,393,180.18)	(14,650,812.33)	(14,908,444.68)
5	Net Plant in Service	66,445,766.00	66,188,197.98	65,930,629.96	65,673,061.93	65,415,493.91	65,157,925.89	64,902,649.93	64,662,327.17	64,404,695.02	64,147,062.87	63,889,430.72	63,631,798.57	63,447,520.19
6	Inventory	233,176.65	233,176.65	234,781.18	246,349.45	246,349.45	246,645.25	246,645.25	245,362.41	255,701.63	225,961.53	224,642.75	225,552.07	223,610.11
7	Accum. Deferred Inc. Taxes - Fed & State	(22,913,421.50)	(23,060,729.50)	(23,208,037.50)	(23,355,345.49)	(23,502,653.49)	(23,649,961.49)	(23,797,269.48)	(23,944,574.58)	(24,091,857.99)	(24,239,141.39)	(24,386,424.80)	(24,533,708.20)	(24,680,991.53)
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Accum. Deferred Inc. Taxes - Federal PTC	6,816,005.31	7,192,831.28	7,459,750.39	7,762,815.95	8,102,989.98	8,413,248.06	8,645,720.50	8,811,778.83	9,011,320.26	9,280,851.52	9,627,484.66	9,857,220.90	10,046,172.49
10	Accum. Deferred Inc. Taxes - ND ITC	3,322,299.31	3,322,299.31	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(1,162,804.75)	(1,162,804.75)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)
12	Accum. Deferred Inc. Taxes - ND ITC	(3,061,599.70)	(3,049,402.09)	(2,967,712.27)	(2,955,793.75)	(2,943,875.23)	(2,931,956.71)	(2,920,038.19)	(2,908,119.67)	(2,896,201.15)	(2,884,282.63)	(2,872,364.11)	(2,860,445.59)	(2,848,527.07)
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	1,071,559.88	1,067,290.72	1,038,699.28	1,034,527.80	1,030,356.32	1,026,184.84	1,022,013.36	1,017,841.88	1,013,670.40	1,009,498.92	1,005,327.44	1,001,155.96	996,984.48
14	End of month rate base	50,750,981.20	50,730,859.60	50,602,254.26	50,519,759.11	50,462,804.16	50,376,229.06	50,212,581.74	50,009,098.47	49,781,731.29	49,652,775.26	49,603,149.20	49,433,774.96	49,297,605.70
15														
16	Average rate base	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23
17														
18	Return on Rate Base	4,377,106.20	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88
19														
20	Available for return (equity portion of rate base)	2,910,814.61	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13
21														
22														
EXPENSES														
23	O&M and Depreciation													
24	O & M Expenses		63,362.03	69,454.58	115,057.09	104,321.56	90,627.37	81,671.54	97,038.29	109,149.28	101,216.65	83,314.20	78,902.46	80,717.89
25	Book Depreciation	0	257,568.02	257,568.02	257,568.02	257,568.02	257,568.02	257,568.02	257,575.57	257,632.15	257,632.15	257,632.15	257,632.15	257,632.15
26	Total O&M and Depreciation Expense	0	320,930.05	327,022.60	372,625.11	361,889.58	348,195.39	339,239.56	354,613.86	366,781.43	358,848.80	340,946.35	336,534.61	338,350.04
27														
28	Income before Taxes													
29	Available for return (from above)		239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13	239,266.13
30	Less book tax credits - Federal PTC	0	(376,825.97)	(266,919.11)	(303,065.55)	(340,174.03)	(310,258.08)	(232,472.44)	(166,058.33)	(199,541.43)	(269,531.26)	(346,633.14)	(229,736.23)	(188,951.60)
31	Less book tax credits - ND ITC		(12,197.61)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)
32	ND ITC - Federal impact		4,269.16	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48
33	Adjusted Income before interest and taxes		(145,488.28)	(35,400.02)	(71,546.46)	(108,654.94)	(78,738.99)	(953.34)	65,460.76	31,977.66	(38,012.17)	(115,114.05)	1,782.86	42,567.50
34	Taxable Income (grossed up)	1.621994	(235,981.12)	(57,418.62)	(116,047.93)	(176,237.66)	(127,714.16)	(1,546.32)	106,176.96	51,867.58	(61,655.51)	(186,714.30)	2,891.79	69,044.22
35														
36	Income Taxes													
37	Current and Def Income Taxes	38.348%	(90,494.04)	(22,018.89)	(44,502.06)	(67,583.62)	(48,975.83)	(592.98)	40,716.74	19,890.18	(23,643.65)	(71,601.20)	1,108.94	26,477.08
38	Tax Adjustment for Additional Tax Basis	33.198%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	Federal PTC	5.15%	(376,825.97)	(266,919.11)	(303,065.55)	(340,174.03)	(310,258.08)	(232,472.44)	(166,058.33)	(199,541.43)	(269,531.26)	(346,633.14)	(229,736.23)	(188,951.60)
40	ND ITC		(12,197.61)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)
41	ND ITC - Federal impact		4,269.16	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48	4,171.48
42	Total Income Tax Expense		(475,248.46)	(296,685.05)	(355,314.65)	(415,504.69)	(366,980.95)	(240,812.46)	(133,088.63)	(187,398.29)	(300,921.96)	(425,981.38)	(236,374.33)	(170,221.56)
43														
44														
REVENUE REQUIREMENTS														
45	Expenses		(154,318.40)	30,337.56	17,310.46	(53,615.11)	(18,785.55)	98,427.10	221,525.23	179,383.14	57,926.84	(85,035.03)	100,160.28	168,128.48
46	Return on rate base		359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88	359,793.88
47														
48														
49	Total revenue requirements		205,475.47	390,131.43	377,104.34	306,178.77	341,008.32	458,220.98	581,319.11	539,177.02	417,720.72	274,758.85	459,954.16	527,922.35
50														
51	North Dakota share - E2 factor	41.018%	84,281.88	160,024.01	154,680.56	125,588.33	139,874.71	187,952.97	238,445.33	221,159.49	171,340.58	112,700.51	188,663.88	216,543.06
														<u>2,001,255.32</u>

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79 2011

2012

SUPPORTING INFORMATION / DATA															
Line		Ratio	Cost	WA Cost											
1	MN Capstructure with allowed ROE per order.														
2	Capital Structure														
3	Debt	43.10%	6.30%	2.72%											
4	Preferred equity	3.60%	4.75%	0.17%											
5	Common equity	53.30%	10.75%	5.73%											
6	Total	100.00%		8.62%											
7															
8															
9	Federal Production Tax Credit														
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000		
11	Output (MWH) / month	(22,748)	17,128	12,133	13,776	15,462	14,103	10,567	7,548	9,070	12,251	15,756	10,443	8,589	146,826
12	Federal PTC Available based on production	0	376,826	266,919	303,066	340,174	310,258	232,472	166,058	199,541	269,531	346,633	229,736	188,952	3,230,167
13	Federal PTC Used on tax return		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Deferred		376,826	266,919	303,066	340,174	310,258	232,472	166,058	199,541	269,531	346,633	229,736	188,952	3,230,167
15	Accumulated Deferred		7,192,831	7,459,750	7,762,816	8,102,990	8,413,248	8,645,720	8,811,779	9,011,320	9,280,852	9,627,485	9,857,221	10,046,172	
16															
17	Deferred Tax														
18	Book depr. rate	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%	3.949266%
19	Book depreciation	0	257,568.02	257,568.02	257,568.02	257,568.02	257,568.02	257,568.02	257,575.57	257,632.15	257,632.15	257,632.15	257,632.15	257,632.35	3,091,144.65
20	Tax depreciation-ND		641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	7,700,433.35
21	Tax depreciation-Federal		641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	641,702.78	7,700,433.35
22	Book vs. tax depreciation		(384,134.76)	(384,134.76)	(384,134.76)	(384,134.76)	(384,134.76)	(384,134.76)	(384,127.21)	(384,070.63)	(384,070.63)	(384,070.63)	(384,070.63)	(384,070.43)	(4,609,288.70)
23	Federal & State deferred income taxes	0	(147,308.00)	(147,308.00)	(147,308.00)	(147,308.00)	(147,308.00)	(147,308.00)	(147,305.10)	(147,283.40)	(147,283.40)	(147,283.40)	(147,283.40)	(147,283.33)	(1,767,570.03)
24															
25	Additional Tax Basis (permanent difference)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Tax Impact-ND		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Tax Impact-Federal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Total Tax Impact		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PROOF		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Year End 2012
1	Revenue		205,475.47	390,131.43	377,104.34	306,178.77	341,008.32	458,220.98	581,319.11	539,177.02	417,720.72	274,758.85	459,954.16	527,922.35	4,878,971.53
2															
3	Expenses														
4	O/M and Book Depreciation		320,930.05	327,022.60	372,625.11	361,889.58	348,195.39	339,239.56	354,613.86	366,781.43	358,848.80	340,946.35	336,534.61	338,350.04	4,165,977.39
5	Interest on Debt		113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	113,387.03	1,360,644.36
6															
7	Income Taxes														
8	Current Income Tax		(237,802.50)	(169,327.00)	(191,810.28)	(214,891.96)	(196,284.07)	(147,900.98)	(106,588.15)	(127,393.12)	(170,927.18)	(218,884.97)	(146,174.45)	(120,806.12)	(2,048,790.79)
9	Deferred Income Tax		147,308.00	147,308.00	147,308.00	147,308.00	147,308.00	147,308.00	147,305.10	147,283.40	147,283.40	147,283.40	147,283.40	147,283.33	1,767,570.03
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit														
12	Generated PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Deferred PTC		(376,825.97)	(266,919.11)	(303,065.55)	(340,174.03)	(310,258.08)	(232,472.44)	(166,058.33)	(199,541.43)	(269,531.26)	(346,633.14)	(229,736.23)	(188,951.60)	(3,230,167.18)
14	ND Investment Tax Credit														
15	Current ITC		(7,928.45)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	(93,145.89)
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses		(40,931.83)	143,724.47	130,697.26	59,771.58	94,601.23	211,814.13	334,912.47	292,770.27	171,313.75	28,351.63	213,547.32	281,515.64	1,922,087.92
18															
19	Net Income before preferred dividend		246,407.31	246,406.96	246,407.08	246,407.19	246,407.10	246,406.85	246,406.64	246,406.75	246,406.97	246,407.21	246,406.84	246,406.71	2,956,883.62
20	Dividend on Preferred Stock		(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(7,140.71)	(85,688.57)
21															
22	Income available for Common Stock		239,266.59	239,266.25	239,266.36	239,266.48	239,266.38	239,266.14	239,265.93	239,266.03	239,266.25	239,266.50	239,266.13	239,266.00	2,871,195.04
23															
24	Average Rate Base		50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23	50,110,277.23
25	Equity Percent		2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	2,225,731.48	26,708,777.77
26	Return on Equity Check		10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27															
28	Tax Calculation														
29	Income Before Income Taxes														
30	Net Income after prfd		239,266.59	239,266.25	239,266.36	239,266.48	239,266.38	239,266.14	239,265.93	239,266.03	239,266.25	239,266.50	239,266.13	239,266.00	2,871,195.04
31	Less Income Taxes		(475,248.92)	(296,685.16)	(355,314.88)	(415,505.03)	(366,981.20)	(240,812.46)	(133,088.42)	(187,398.19)	(300,922.08)	(425,981.75)	(236,374.32)	(170,221.42)	(3,604,533.83)
32	Total		(235,982.32)	(57,418.91)	(116,048.52)	(176,238.55)	(127,714.81)	(1,546.33)	106,177.50	51,867.84	(61,655.82)	(186,715.25)	2,891.81	69,044.57	(733,338.79)
33															
34	Book Depreciation		257,568.02	257,568.02	257,568.02	257,568.02	257,568.02	257,568.02	257,575.57	257,632.15	257,632.15	257,632.15	257,632.15	257,632.35	3,091,144.65
35	Tax Depreciation		(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(641,702.78)	(7,700,433.35)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income		(630,117.08)	(441,553.67)	(500,183.28)	(560,373.31)	(511,849.57)	(385,681.08)	(277,949.71)	(332,202.79)	(445,726.45)	(570,785.88)	(381,178.82)	(315,025.86)	(5,342,627.49)
38	Current income tax		(237,802.50)	(169,327.00)	(191,810.28)	(214,891.96)	(196,284.07)	(147,900.98)	(106,588.15)	(127,393.12)	(170,927.18)	(218,884.97)	(146,174.45)	(120,806.12)	(2,048,790.79)
39	Tie to RR calculation														
40	Total Tax		(0.46)	(0.11)	(0.23)	(0.34)	(0.25)	(0.00)	0.21	0.10	(0.12)	(0.36)	0.01	0.13	(1.43)
41	Income Requirement for Return		0.46	0.11	0.23	0.34	0.25	0.00	(0.21)	(0.10)	0.12	0.36	(0.01)	(0.13)	1.43

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

Line	356.79	2012					2013					2013 YE Balance			
		Balance Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Actual Sep-13		Actual Oct-13	Actual Nov-13	Actual Dec-13
RATE BASE															
1															
2	Plant Balance - Langdon	78,355,964.87	78,355,964.87	78,348,796.05	78,348,796.05	78,348,796.05	78,348,796.05	78,348,796.05	78,348,796.05	78,348,796.05	78,372,575.33	78,372,575.33	78,372,575.33	78,372,575.33	78,940,093.29
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(14,908,444.68)	(15,166,178.80)	(15,423,912.92)	(15,681,623.44)	(15,939,333.96)	(16,197,044.48)	(16,454,755.00)	(16,712,465.52)	(16,970,176.04)	(17,227,964.38)	(17,485,752.72)	(17,743,541.06)	(18,001,329.40)	
5	Net Plant in Service	63,447,520.19	63,189,786.07	62,924,883.13	62,667,172.61	62,409,462.09	62,151,751.57	61,894,041.05	61,636,330.53	61,402,999.29	61,144,610.95	60,886,822.61	60,629,034.27	60,398,763.89	
6	Inventory	222,303.92	227,177.07	213,024.98	206,911.99	214,229.64	212,152.85	210,982.42	215,539.85	224,634.73	218,652.26	212,622.35	212,443.72	238,027.86	
7	Accum. Deferred Inc. Taxes - Fed & State	(24,680,991.53)	(24,589,323.48)	(24,497,655.42)	(24,405,996.41)	(24,314,337.40)	(24,222,678.39)	(24,131,019.38)	(24,039,360.37)	(23,947,701.37)	(23,856,012.51)	(23,764,323.66)	(23,672,634.81)	(23,580,945.96)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	10,046,172.49	9,620,640.56	9,068,673.23	8,497,065.68	8,047,814.74	7,566,612.45	7,020,155.59	6,430,928.80	5,806,913.67	5,282,308.21	4,771,720.10	4,360,706.63	3,918,979.61	
10	Accum. Deferred Inc. Taxes - ND ITC	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	3,252,528.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 x	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	(1,138,384.79)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 x	
12	Accum. Deferred Inc. Taxes - ND ITC	(2,848,527.07)	(2,836,608.55)	(2,824,690.03)	(2,812,771.51)	(2,800,852.99)	449,752.99	447,830.97	445,908.95	443,986.93	442,064.91	440,142.89	438,220.87	436,298.85 x	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	996,984.48	992,813.00	988,641.52	984,470.04	980,298.56	(157,413.73)	(156,741.02)	(156,068.31)	(155,395.60)	(154,722.89)	(154,050.18)	(153,377.47)	(152,704.76) x	
14	End of month rate base	49,297,605.70	48,718,627.90	47,987,020.64	47,250,995.62	46,650,757.87	46,000,177.74	45,285,249.63	44,533,279.45	43,774,837.66	43,076,900.93	42,392,934.11	41,814,393.21	41,798,419.49	
15															
16	Average rate base	50,110,277.23	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	
17															
18	Return on Rate Base	4,317,526.54	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	3,900,957.73
19															
20	Available for return (equity portion of rate base)	2,871,193.61	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	2,594,171.64
21															
EXPENSES															
22															
23	O&M and Depreciation														
24	O & M Expenses		77,112.38	94,264.16	106,932.27	109,096.77	109,105.08	84,820.27	78,784.91	88,072.19	221,182.71	69,583.69	93,493.12	7,421.89	1,139,869.44
25	Book Depreciation	(0)	257,734.12	257,734.12	257,710.52	257,710.52	257,710.52	257,710.52	257,710.52	257,710.52	257,788.34	257,788.34	257,788.34	257,788.34	3,092,884.72
26	Total O&M and Depreciation Expense	0	334,846.50	351,998.28	364,642.79	366,807.29	366,815.60	342,530.79	336,495.43	345,782.71	478,971.05	327,372.03	351,281.46	265,210.23	4,232,754.16
27															
28	Income before Taxes														
29	Available for return (from above)		216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	216,180.97	2,594,171.64
30	Less book tax credits - Federal PTC	0	(350,354.73)	(223,919.34)	(204,279.11)	(326,635.73)	(294,684.37)	(229,429.81)	(186,659.88)	(151,871.53)	(251,281.21)	(265,298.56)	(364,873.20)	(334,159.64)	(3,183,447.11)
31	Less book tax credits - ND ITC		(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	(32,297.92)
32	ND ITC - Federal impact		4,171.48	4,171.48	4,171.48	4,171.48	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	11,304.24
33	Adjusted Income before interest and taxes		(141,920.80)	(15,485.41)	4,154.82	(118,201.80)	(77,254.09)	(11,999.53)	30,770.40	65,558.75	(33,850.93)	(47,868.28)	(147,442.92)	(116,729.36)	(610,269.15)
34	Taxable Income (grossed up)	1.621994	(230,194.69)	(25,117.25)	6,739.10	(191,722.62)	(125,305.67)	(19,463.16)	49,909.40	106,335.90	(54,906.01)	(77,642.06)	(239,151.53)	(189,334.32)	(989,852.90)
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	(88,275.06)	(9,631.96)	2,584.31	(73,521.79)	(48,052.22)	(7,463.73)	19,139.26	40,777.69	(21,055.35)	(29,774.18)	(91,709.83)	(72,605.93)	(379,588.79)
38	Tax Adjustment for Additional Tax Basis	33.198%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	5.15%	(350,354.73)	(223,919.34)	(204,279.11)	(326,635.73)	(294,684.37)	(229,429.81)	(186,659.88)	(151,871.53)	(251,281.21)	(265,298.56)	(364,873.20)	(334,159.64)	(3,183,447.11)
40	ND ITC		(11,918.52)	(11,918.52)	(11,918.52)	(11,918.52)	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	(32,297.92)
41	ND ITC - Federal impact		4,171.48	4,171.48	4,171.48	4,171.48	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	11,304.24
42	Total Income Tax Expense		(446,376.83)	(241,298.35)	(209,441.84)	(407,904.56)	(341,487.28)	(235,644.23)	(166,271.31)	(109,844.53)	(271,087.25)	(293,823.43)	(455,333.71)	(405,516.26)	(3,584,029.58)
43															
44															
REVENUE REQUIREMENTS															
45															
46	Expenses		(111,530.33)	110,699.93	155,200.95	(41,097.27)	25,328.32	106,886.56	170,224.12	235,938.18	207,883.80	33,548.60	(104,052.25)	(140,306.03)	648,724.58
47	Return on rate base		325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	325,079.81	3,900,957.73
48															
49	Total revenue requirements		213,549.48	435,779.74	480,280.76	283,982.54	350,408.13	431,966.37	495,303.93	561,017.99	532,963.61	358,628.41	221,027.56	184,773.79	4,549,682.31
50															
51	North Dakota share - E2 factor	41.018%	87,593.67	178,748.03	197,001.44	116,483.89	143,730.32	177,183.86	203,163.64	230,118.22	218,610.88	147,102.11	90,661.03	75,790.46	1,866,187.55

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79 2012

2013

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost										
1	MN Capstructure with allowed ROE per order.													
2	Capital Structure													
3	Debt	43.10%	6.30%	2.72%										
4	Preferred equity	3.60%	4.75%	0.17%										
5	Common equity	53.30%	10.75%	5.73%										
6	Total	100.00%		8.62%										
7														
8														
9	Federal Production Tax Credit													
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000
11	Output (MWH) / month	0 15,925	10,178	9,285	12,663	12,812	9,975	8,116	6,603	10,925	11,535	15,864	14,529	138,411
12	Federal PTC Available based on production	0 350,355	223,919	204,279	326,636	294,684	229,430	186,660	151,872	251,281	265,299	364,873	334,160	3,183,447
13	Federal PTC Used on tax return	775,887	775,887	775,887	775,887	775,887	775,887	775,887	775,887	775,887	775,887	775,887	775,887	9,310,640
14	Deferred	(425,532)	(551,967)	(571,608)	(449,251)	(481,202)	(546,457)	(589,227)	(624,015)	(524,605)	(510,588)	(411,013)	(441,727)	(6,127,193)
15	Accumulated Deferred	9,620,641	9,068,673	8,497,066	8,047,815	7,566,612	7,020,156	6,430,929	5,806,914	5,282,308	4,771,720	4,360,707	3,918,980	
16														
17	Deferred Tax													
18	Book depr. rate	3.929975%	3.929975%	3.929975%	3.929975%	3.947127%	3.947127%	3.947127%	3.947127%	3.947127%	3.947127%	3.947127%	3.947127%	3.947127%
19	Book depreciation	0 257,734.12	257,734.12	257,710.52	257,710.52	257,710.52	257,710.52	257,710.52	257,710.52	257,788.34	257,788.34	257,788.34	257,788.34	3,092,884.72
20	Tax depreciation-ND	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	224,298.17
21	Tax depreciation-Federal	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	18,691.51	224,298.17
22	Book vs. tax depreciation	239,042.61	239,042.61	239,019.01	239,019.01	239,019.01	239,019.01	239,019.01	239,019.01	239,096.83	239,096.83	239,096.83	239,096.83	2,868,586.55
23	Federal & State deferred income taxes	0 91,668.06	91,668.06	91,659.01	91,659.01	91,659.01	91,659.01	91,659.01	91,659.01	91,688.85	91,688.85	91,688.85	91,688.85	1,100,045.57
24														
25	Additional Tax Basis (permanent difference)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Tax Impact-ND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Tax Impact-Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Total Tax Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PROOF	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Year End 2013
1	Revenue	213,549.48	435,779.74	480,280.76	283,982.54	350,408.13	431,966.37	495,303.93	561,017.99	532,963.61	358,628.41	221,027.56	184,773.79	4,549,682.31
2														
3	Expenses													
4	O/M and Book Depreciation	334,846.50	351,998.28	364,642.79	366,807.29	366,815.60	342,530.79	336,495.43	345,782.71	478,971.05	327,372.03	351,281.46	265,210.23	4,232,754.16
5	Interest on Debt	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	102,447.09	1,229,365.02
6														
7	Income Taxes													
8	Current Income Tax	3,392.55	82,036.05	94,243.33	18,136.84	43,606.54	84,195.24	110,798.36	132,436.91	70,633.39	61,914.52	(21.44)	19,082.56	720,454.85
9	Deferred Income Tax	(91,668.06)	(91,668.06)	(91,659.01)	(91,659.01)	(91,659.01)	(91,659.01)	(91,659.01)	(91,659.01)	(91,688.85)	(91,688.85)	(91,688.85)	(91,688.85)	(1,100,045.57)
10	Permanent Tax Difference - 30% Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit													
12	Generated PTC	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(775,886.67)	(9,310,640.00)
13	Deferred PTC	425,531.94	551,967.32	571,607.56	449,250.93	481,202.29	546,456.86	589,226.79	624,015.14	524,605.46	510,588.11	411,013.47	441,727.03	6,127,192.89
14	ND Investment Tax Credit													
15	Current ITC	(7,747.04)	(7,747.04)	(7,747.04)	(7,747.04)	1,249.31	1,249.31	1,249.31	1,249.31	1,249.31	1,249.31	1,249.31	1,249.31	(20,993.68)
16	Deferred ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses	(9,083.69)	213,146.97	257,648.05	61,349.44	127,775.16	209,333.61	272,671.30	338,385.47	310,330.77	135,995.54	(1,605.63)	(37,859.31)	1,878,087.67
18														
19	Net Income before preferred dividend	222,633.17	222,632.77	222,632.71	222,633.10	222,632.97	222,632.76	222,632.63	222,632.52	222,632.83	222,632.88	222,633.19	222,633.10	2,671,594.64
20	Dividend on Preferred Stock	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(6,451.76)	(77,421.07)
21														
22	Income available for Common Stock	216,181.42	216,181.02	216,180.96	216,181.34	216,181.21	216,181.01	216,180.87	216,180.76	216,181.08	216,181.12	216,181.44	216,181.34	2,594,173.57
23														
24	Average Rate Base	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92	45,275,476.92
25	Equity Percent	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	2,010,985.77	24,131,829.20
26	Return on Equity Check	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27														
28	Tax Calculation													
29	Income Before Income Taxes													
30	Net Income after prfd	216,181.42	216,181.02	216,180.96	216,181.34	216,181.21	216,181.01	216,180.87	216,180.76	216,181.08	216,181.12	216,181.44	216,181.34	2,594,173.57
31	Less Income Taxes	(446,377.28)	(241,298.40)	(209,441.83)	(407,904.94)	(341,487.53)	(235,644.27)	(166,271.22)	(109,844.32)	(271,087.36)	(293,823.58)	(455,334.18)	(405,516.63)	(3,584,031.52)
32	Total	(230,195.86)	(25,117.38)	6,739.13	(191,723.59)	(125,306.31)	(19,463.26)	49,909.66	106,336.44	(54,906.29)	(77,642.46)	(239,152.74)	(189,335.29)	(899,857.95)
33														
34	Book Depreciation	257,734.12	257,734.12	257,710.52	257,710.52	257,710.52	257,710.52	257,710.52	257,710.52	257,788.34	257,788.34	257,788.34	257,788.34	3,092,884.72
35	Tax Depreciation	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(18,691.51)	(224,298.17)
36	Tax Depreciation - Permanent Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income	8,846.75	213,925.23	245,758.14	47,295.41	113,712.69	219,555.75	288,928.66	345,355.45	184,190.54	161,454.37	(55.92)	49,761.54	1,878,728.61
38	Current income tax	3,392.55	82,036.05	94,243.33	18,136.84	43,606.54	84,195.24	110,798.36	132,436.91	70,633.39	61,914.52	(21.44)	19,082.56	720,454.85
39	Tie to RR calculation													
40	Total Tax	(0.45)	(0.05)	0.01	(0.37)	(0.24)	(0.04)	0.10	0.21	(0.11)	(0.15)	(0.47)	(0.37)	(1.93)
41	Income Requirement for Return	0.45	0.05	(0.01)	0.37	0.24	0.04	(0.10)	(0.21)	0.11	0.15	0.47	0.37	1.93

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

Line	356.79	2013					2014					Projected Nov-14	Projected Dec-14	2014 YE Balance	2014 Balance Dec-14	
		Balance Dec-13	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14	Actual Jul-14	Actual Aug-14	Actual Sep-14					Actual Oct-14
RATE BASE																
1																
2	Plant Balance - Langdon	78,940,093.29	78,940,093.30	78,940,093.30	78,940,093.30	79,113,402.93	79,113,402.93	79,113,402.93	79,113,402.93	79,113,402.93	79,113,402.93	79,007,559.79	79,323,561.28	79,436,634.39		79,436,634.39
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
4	Accumulated Depreciation	(18,001,329.40)	(18,274,014.79)	(18,546,700.19)	(18,819,385.58)	(19,092,070.98)	(19,365,355.05)	(19,638,639.11)	(19,911,923.18)	(20,185,207.24)	(20,458,491.30)	(20,731,775.37)	(21,004,693.82)	(21,278,703.84)		(21,278,703.84)
5	Net Plant in Service	60,938,763.89	60,666,078.51	60,393,393.11	60,120,707.72	60,021,331.95	59,748,047.88	59,474,763.82	59,201,479.75	58,928,195.69	58,654,911.63	58,275,784.42	58,318,867.47	58,157,930.55		58,157,930.55
6	Inventory	238,027.86	231,992.98	222,186.90	218,071.50	204,103.16	194,519.20	199,885.92	218,005.73	291,234.81	229,824.70	243,679.51	243,679.51	243,679.51		243,679.51
7	Accum. Deferred Inc. Taxes - Fed & State	(23,580,945.96)	(23,478,143.32)	(23,375,340.67)	(23,272,538.02)	(23,169,735.38)	(23,066,698.80)	(22,963,662.23)	(22,860,625.65)	(22,757,589.08)	(22,654,552.51)	(22,551,515.93)	(22,448,622.22)	(22,345,301.98)		(22,345,301.98)
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
9	Accum. Deferred Inc. Taxes - Federal PTC	3,918,979.61	3,653,468.92	3,378,784.18	3,091,960.02	2,817,709.13	2,456,815.99	2,110,140.47	1,725,585.84	1,253,112.94	932,243.67	723,996.69	415,838.19	87,489.92		87,489.92
10	Accum. Deferred Inc. Taxes - ND ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)		(0.00)
12	Accum. Deferred Inc. Taxes - ND ITC	436,298.85	434,376.83	432,454.81	430,532.79	428,610.77	426,688.75	424,766.73	422,844.71	420,922.69	419,000.67	417,078.65	415,156.63	413,234.61		413,234.61
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(152,704.76)	(152,032.05)	(151,359.34)	(150,686.64)	(150,013.93)	(149,341.22)	(148,668.51)	(147,995.81)	(147,323.10)	(146,650.39)	(145,977.69)	(145,304.98)	(144,632.27)		(144,632.27)
14	End of month rate base	41,798,419.49	41,355,741.87	40,900,118.99	40,438,047.37	40,152,005.70	39,610,031.81	39,097,226.20	38,559,294.57	37,988,553.95	37,434,777.77	36,963,045.65	36,799,614.60	36,412,400.34		36,412,400.34
15																
16	Average rate base	45,275,476.92	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25	39,039,175.25		39,039,175.25
17																
18	Return on Rate Base	3,900,957.73	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90		3,363,634.86
19																
20	Available for return (equity portion of rate base)	2,594,171.64	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93		2,236,847.14
21																
EXPENSES																
22																
23	O&M and Depreciation															
24	O & M Expenses		88,576.20	119,604.26	93,828.39	106,038.86	106,464.01	85,570.97	83,368.46	44,443.99	145,932.88	93,976.03	93,600.99	91,334.63		1,152,739.67
25	Book Depreciation	0	272,685.40	272,685.40	272,685.40	272,685.40	273,284.06	273,284.06	273,284.06	273,284.06	273,284.06	273,284.06	272,918.45	274,010.02		3,277,374.44
26	Total O&M and Depreciation Expense	0	361,261.60	392,289.66	366,513.79	378,724.26	379,748.07	358,855.03	356,652.52	317,728.05	419,216.94	367,260.09	366,519.44	365,344.65		4,430,114.11
27																
28	Income before Taxes															
29	Available for return (from above)		186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93	186,403.93		2,236,847.14
30	Less book tax credits - Federal PTC	0	(358,094.61)	(348,920.56)	(336,781.13)	(349,354.41)	(262,712.16)	(276,929.78)	(239,050.66)	(151,132.40)	(302,736.03)	(415,358.31)	(315,446.81)	(295,257.03)		(3,651,773.88)
31	Less book tax credits - ND ITC		1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02		23,064.24
32	ND ITC - Federal impact		(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)		(8,072.48)
33	Adjusted Income before interest and taxes		(170,441.37)	(161,267.32)	(149,127.89)	(161,701.16)	(75,058.92)	(89,276.53)	(51,397.42)	36,520.84	(115,082.79)	(227,705.07)	(127,793.56)	(107,603.78)		(1,399,934.98)
34	Taxable Income (grossed up)	1.641352	(279,754.21)	(264,696.36)	(244,771.30)	(265,408.46)	(123,198.08)	(146,534.18)	(84,361.23)	59,943.54	(188,891.31)	(373,744.07)	(209,754.16)	(176,615.64)		(2,297,785.46)
35																
36	Income Taxes															
37	Current and Def Income Taxes	39.075%	(109,312.84)	(103,429.04)	(95,643.41)	(103,707.29)	(48,139.16)	(57,257.64)	(32,963.81)	23,422.70	(73,808.52)	(146,039.00)	(81,960.60)	(69,011.85)		(897,850.48)
38	Tax Adjustment for Additional Tax Basis	32.806%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
39	Federal PTC	6.27%	(358,094.61)	(348,920.56)	(336,781.13)	(349,354.41)	(262,712.16)	(276,929.78)	(239,050.66)	(151,132.40)	(302,736.03)	(415,358.31)	(315,446.81)	(295,257.03)		(3,651,773.88)
40	ND ITC		1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02		23,064.24
41	ND ITC - Federal impact		(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)		(8,072.48)
42	Total Income Tax Expense		(466,158.14)	(451,100.29)	(431,175.23)	(451,812.39)	(309,602.01)	(332,938.11)	(270,765.16)	(126,460.39)	(375,295.24)	(560,148.00)	(396,158.09)	(363,019.57)		(4,534,632.60)
43																
44																
REVENUE REQUIREMENTS																
45																
46	Expenses		(104,896.54)	(58,810.63)	(64,661.44)	(73,088.13)	70,146.07	25,916.93	85,887.36	191,267.66	43,921.71	(192,887.90)	(29,638.66)	2,325.08		(104,518.49)
47	Return on rate base		280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90	280,302.90		3,363,634.86
48																
49	Total revenue requirements		175,406.36	221,492.27	215,641.46	207,214.77	350,448.97	306,219.83	366,190.27	471,570.57	324,224.61	87,415.00	250,664.25	282,627.99		3,259,116.37
50																
51	North Dakota share - E2 factor	41.018%	71,948.14	90,851.65	88,451.76	84,995.30	143,747.07	125,605.18	150,203.83	193,428.70	132,990.37	35,855.86	102,817.40	115,928.28		1,336,823.54

Otter Tail Power Company
North Dakota Renewable Resource Rider
Langdon Wind Farm

356.79

Line	2015													2015 YE Balance
	Projected Jan-15	Projected Feb-15	Projected Mar-15	Projected Apr-15	Projected May-15	Projected Jun-15	Projected Jul-15	Projected Aug-15	Projected Sep-15	Projected Oct-15	Projected Nov-15	Projected Dec-15		
1	RATE BASE													
2	Plant Balance - Langdon	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	79,436,634.39	80,302,627.11
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Accumulated. Depreciation	(21,553,104.45)	(21,827,505.07)	(22,101,905.68)	(22,376,306.30)	(22,650,706.91)	(22,925,107.52)	(23,199,508.14)	(23,473,908.75)	(23,748,309.37)	(24,022,709.98)	(24,297,110.59)	(24,571,511.21)	
5	Net Plant in Service	57,883,529.93	57,609,129.32	57,334,728.71	57,060,328.09	56,785,927.48	56,511,526.86	56,237,126.25	55,962,725.64	55,688,325.02	55,413,924.41	55,139,523.79	55,731,115.90	
6	Inventory	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	243,679.51	
7	Accum. Deferred Inc. Taxes - Fed & State	(22,249,223.05)	(22,153,144.11)	(22,057,065.17)	(21,960,986.24)	(21,864,907.30)	(21,768,828.36)	(21,672,749.43)	(21,576,670.49)	(21,480,591.55)	(21,384,512.62)	(21,288,433.68)	(21,192,354.74)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	145,509.12	140,315.41	120,766.89	146,525.90	187,248.44	141,293.05	49,413.71	(26,899.78)	(18,694.06)	32,365.74	70,461.63	87,489.92	
10	Accum. Deferred Inc. Taxes - ND ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	
12	Accum. Deferred Inc. Taxes - ND ITC	411,312.59	409,390.57	407,468.55	405,546.53	403,624.51	401,702.49	399,780.47	397,858.45	395,936.43	394,014.41	392,092.39	390,170.37	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(143,959.57)	(143,286.86)	(142,614.15)	(141,941.44)	(141,268.74)	(140,596.03)	(139,923.32)	(139,250.62)	(138,577.91)	(137,905.20)	(137,232.50)	(136,559.79)	
14	End of month rate base	36,290,848.54	36,106,083.84	35,906,964.33	35,753,152.35	35,614,303.90	35,388,777.52	35,117,327.19	34,861,442.71	34,690,077.44	34,561,566.24	34,420,091.15	35,123,541.17	
15	Average rate base	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82	35,403,582.82
16	Return on Rate Base	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	3,050,390.40
17	Available for return (equity portion of rate base)	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	2,028,536.79
18														
19														
20														
21														
22	EXPENSES													
23	<i>O&M and Depreciation</i>													
24	O & M Expenses	115,522.82	83,122.92	123,875.03	109,566.27	105,040.69	86,366.11	86,377.36	86,374.53	104,361.93	104,364.62	86,490.60	86,377.14	1,177,840.02
25	Book Depreciation	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	274,400.61	3,292,807.37
26	Total O&M and Depreciation Expense	389,923.44	357,523.53	398,275.64	383,966.88	379,441.30	360,766.73	360,777.98	360,775.14	378,762.55	378,765.24	360,891.22	360,777.75	4,470,647.39
27														
28	Income before Taxes													
29	Available for return (from above)	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	169,044.73	2,028,536.79
30	Less book tax credits - Federal PTC	(349,085.19)	(285,872.28)	(271,517.48)	(316,825.00)	(331,788.53)	(245,110.60)	(199,186.66)	(214,752.50)	(299,271.72)	(342,125.78)	(329,161.88)	(308,094.29)	(3,492,791.91)
31	Less book tax credits - ND ITC	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	23,064.24
32	ND ITC - Federal impact	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(8,072.48)
33	Adjusted Income before interest and taxes	(178,791.14)	(115,578.23)	(101,223.43)	(146,530.95)	(161,494.49)	(74,816.56)	(28,892.61)	(44,458.45)	(128,977.67)	(171,831.74)	(158,867.84)	(137,800.24)	(1,449,263.36)
34	Taxable Income (grossed up)	(293,459.12)	(189,704.51)	(166,143.24)	(240,508.80)	(265,069.23)	(122,800.27)	(47,422.93)	(72,971.95)	(211,697.71)	(282,036.29)	(260,757.97)	(226,178.64)	(2,378,750.68)
35														
36	Income Taxes													
37	Current and Def Income Taxes	(114,667.98)	(74,126.28)	(64,919.81)	(93,977.85)	(103,574.74)	(47,983.71)	(18,530.32)	(28,513.50)	(82,720.03)	(110,204.55)	(101,890.14)	(88,378.40)	(929,487.31)
38	Tax Adjustment for Additional Tax Basis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	Federal PTC	(349,085.19)	(285,872.28)	(271,517.48)	(316,825.00)	(331,788.53)	(245,110.60)	(199,186.66)	(214,752.50)	(299,271.72)	(342,125.78)	(329,161.88)	(308,094.29)	(3,492,791.91)
40	ND ITC	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	1,922.02	23,064.24
41	ND ITC - Federal impact	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(672.71)	(8,072.48)
42	Total Income Tax Expense	(462,503.86)	(358,749.24)	(335,187.97)	(409,553.54)	(434,113.96)	(291,845.00)	(216,467.66)	(242,016.68)	(380,742.44)	(451,081.02)	(429,802.71)	(395,223.37)	(4,407,287.46)
43														
44														
45	REVENUE REQUIREMENTS													
46	Expenses	(72,580.42)	(1,225.71)	63,087.67	(25,586.66)	(54,672.66)	68,921.72	144,310.32	118,758.46	(1,979.89)	(72,315.79)	(68,911.49)	(34,445.62)	63,359.93
47	Return on rate base	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	254,199.20	3,050,390.40
48														
49	Total revenue requirements	181,618.78	252,973.49	317,286.87	228,612.54	199,526.54	323,120.92	398,509.51	372,957.66	252,219.31	181,883.41	185,287.71	219,753.58	3,113,750.33
50														
51	North Dakota share - E2 factor	74,496.35	103,764.60	130,144.65	93,772.24	81,841.75	132,537.66	163,460.53	152,979.68	103,455.25	74,604.89	76,001.27	90,138.47	1,277,197.33

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2007						2008						2008 YE Balance	
	Actual Dec-07	Actual Jan-08	Actual Feb-08	Actual Mar-08	Actual Apr-08	Actual May-08	Actual Jun-08	Actual Jul-08	Actual Aug-08	Actual Sep-08	Actual Oct-08	Actual Nov-08		Actual Dec-08
1	RATE BASE													
2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112,922,746.00	115,325,925.00
3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(376,409.15)
5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112,922,746.00	114,949,515.85
6	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(11,874,605.95)	(23,601,565.40)
8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,938,411.90	17,298,888.75 x
11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(5,928,444.17)	(6,054,611.06) x
12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(16,881,950.54)	(17,184,760.36) x
13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,908,682.69	6,014,666.13 x
14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	101,084,839.94	91,422,133.90
15														
16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,808,228.76	14,808,228.76
17														14,808,228.76
18	8.62%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	657,674.16	657,674.16
19														1,315,348.32
20	5.73%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	443,969.21	443,969.21
21														887,938.42
22	EXPENSES													
23	<i>O&M and Depreciation</i>													
24	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(164,269.47)	793.40
25	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	376,409.15
26	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(164,269.47)	377,202.55
27														212,933.08
28	<i>Income before Taxes</i>													
29		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	443,969.21	443,969.21
30		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(75,693.77)	(351,661.72)
31		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(56,461.37)	(57,666.98)
32		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,761.48	20,183.44
33		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	331,575.55	54,823.95
34	1.645413	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	545,578.86	90,208.07
35														635,786.93
36	<i>Income Taxes</i>													
37	39.225%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	214,003.31	35,384.12
38	32.725%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	6.500%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(75,693.77)	(351,661.72)
40		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(56,461.37)	(57,666.98)
41		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,761.48	20,183.44
42		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	101,609.65	(353,761.14)
43														(252,151.49)
44	REVENUE REQUIREMENTS													
45														
46		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(62,659.82)	23,441.42
47		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	657,674.16	657,674.16
48														1,315,348.32
49		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	595,014.34	681,115.58
50														1,276,129.92
51	38.830%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	231,044.07	264,477.18
														<u>495,521.25</u>

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

2007

2008

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost										
1	MN Capstructure with allowed ROE per order.													
2	Capital Structure													
3	Debt	43.10%	6.30%	2.72%										
4	Preferred equity	3.60%	4.75%	0.17%										
5	Common equity	53.30%	11.25%	6.00%										
6	Total	100.00%		8.88%										
7														
8														
9	Federal Production Tax Credit													
10	Federal PTC Rate								\$21,000	\$21,000	\$21,000	\$21,000	\$21,000	
11	Output (MWH) / month	-	-	-	-	-	-	-	-	-	-	3,604	16,746	20,350
12	Federal PTC Available based on production	0	0	0	0	0	0	0	0	0	0	75,694	351,662	427,355
13	Federal PTC Used on tax return	0	0	0	0	0	0	0	0	0	0	75,694	351,662	427,355
14	Deferred	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Accumulated Deferred	0	0	0	0	0	0	0	0	0	0	0	0	0
16														
17	Deferred Tax													
18	Book depr. rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
19	Book depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	376,409.15	376,409.15
20	Tax depreciation-ND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,273,055.31	60,546,110.63
21	Tax depreciation-Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,273,055.31	60,546,110.63
22	Book vs. tax depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(30,273,055.31)	(29,896,646.16)
23	Federal & State deferred income taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(11,874,605.95)	(11,726,959.46)
24														(23,601,565.40)
25	Additional Tax Basis (permanent difference)													
26	Tax Impact-ND													
27	Tax Impact-Federal													
28	Total Tax Impact													

PROOF	Year End 2007	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Year End 2008
1	Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	595,014.34	681,115.58	1,276,129.92
2														
3	Expenses													
4	O/M and Book Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(164,269.47)	377,202.55	212,933.08
5	Interest on Debt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	201,043.92	201,043.92	402,087.84
6														
7	Income Taxes													
8	Current Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(11,660,602.64)	(11,691,575.34)	(23,352,177.98)
9	Deferred Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,874,605.95	11,726,959.46	23,601,565.40
10	Permanent Tax Difference - 30% Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit													
12	Generated PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(75,693.77)	(351,661.72)	(427,355.48)
13	Deferred PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	ND Investment Tax Credit													
15	Current ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(36,699.89)	(37,483.54)	(74,183.43)
16	Deferred ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138,384.10	224,485.33	362,869.43
18														
19	Net Income before preferred dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	456,630.24	456,630.24	913,260.49
20	Dividend on Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(12,661.04)	(12,661.04)	(25,322.07)
21														
22	Income available for Common Stock	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	443,969.21	443,969.21	887,938.42
23														
24	Average Rate Base													
25	Equity Percent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,808,228.76	14,808,228.76	14,808,228.76
26	Return on Equity Check	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11.25%	11.25%	11.25%
27														
28	Tax Calculation													
29	Income Before Income Taxes													
30	Net Income after prfd	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	443,969.21	443,969.21	887,938.42
31	Less Income Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	101,609.65	(353,761.14)	(252,151.49)
32	Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	545,578.86	90,208.07	635,786.93
33														
34	Book Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	376,409.15	376,409.15
35	Tax Depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(30,273,055.31)	(60,546,110.63)
36	Tax Depreciation - Permanent Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(29,727,476.45)	(29,806,438.09)	(59,533,914.54)
38	Current income tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(11,660,602.64)	(11,691,575.34)	(23,352,177.98)
39	Tie to RR calculation													
40	Total Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)	0.00	(0.00)
41	Income Requirement for Return	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)	0.00

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2008						2009						2009 YE Balance	
	Balance Dec-08	Actual Jan-09	Actual Feb-09	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Actual Aug-09	Actual Sep-09	Actual Oct-09	Actual Nov-09		Actual Dec-09
1	RATE BASE													
2	Plant Balance - Ashtabula	115,325,925.00	115,325,925.00	115,325,925.00	115,325,925.00	116,486,454.87	116,486,454.87	116,760,702.54	116,789,600.00	117,526,902.84	117,583,721.51	117,607,578.71	117,615,206.37	117,679,959.94
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Accumulated Depreciation	(376,409.15)	(760,828.90)	(1,145,248.65)	(1,529,668.40)	(1,914,088.15)	(2,302,376.34)	(2,690,664.52)	(3,079,866.86)	(3,469,165.53)	(3,860,921.87)	(4,252,867.61)	(4,644,892.87)	(5,036,943.56)
5	Net Plant in Service	114,949,515.85	114,565,096.10	114,180,676.35	113,796,256.60	114,572,366.72	114,184,078.53	114,070,038.02	113,709,733.14	114,057,737.31	113,722,799.64	113,354,711.10	112,970,313.50	112,643,016.38
6	Inventory	0.00	0.00	0.00	0.00	0.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00
7	Accum. Deferred Inc. Taxes - Fed & State	(23,601,565.40)	(24,212,177.81)	(24,822,790.22)	(25,433,402.62)	(26,044,015.03)	(26,653,112.56)	(27,262,210.09)	(27,870,949.63)	(28,479,651.45)	(29,087,390.85)	(29,695,056.08)	(30,302,690.17)	(30,910,314.30)
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	329,079.56	620,633.56	973,663.61	1,298,247.57	1,619,370.23	1,811,215.90	2,027,403.39	2,220,283.73	2,494,594.05	2,737,858.11	3,034,248.73	3,307,946.21
10	Accum. Deferred Inc. Taxes - ND ITC	17,298,888.75	17,298,888.75	17,298,888.75	17,298,888.75	17,298,888.75	17,298,888.75	17,298,888.75	17,298,888.75	17,298,888.75	17,637,558.23	17,641,136.81	17,642,280.96	17,651,994.00
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,054,611.06)	(6,173,145.38)	(6,174,397.88)	(6,174,798.33)	(6,178,197.89)
12	Accum. Deferred Inc. Taxes - ND ITC	(17,184,760.36)	(17,127,093.37)	(17,069,426.39)	(17,011,759.41)	(16,954,092.43)	(16,896,425.45)	(16,838,758.47)	(16,781,091.49)	(16,723,424.51)	(17,003,259.18)	(16,947,990.57)	(16,890,283.56)	(16,841,111.59)
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	6,014,666.13	5,994,482.68	5,974,299.24	5,954,115.80	5,933,932.35	5,913,748.91	5,893,565.47	5,873,382.02	5,853,198.58	5,951,140.72	5,931,796.70	5,911,599.24	5,894,389.05
14	End of month rate base	91,422,133.90	90,793,664.84	90,127,670.22	89,523,151.66	90,050,716.87	89,856,595.35	89,362,786.51	88,647,413.12	88,617,079.35	87,986,955.22	87,292,716.19	86,635,328.37	86,012,379.86
15														
16	Average rate base	91,422,133.90	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19
17														
18	Return on Rate Base		658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	638,652.88
19														7,881,128.00
20	Available for return (equity portion of rate base)		444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	424,709.86
21														5,313,811.68
22														*rate change
23	EXPENSES													
24	O & M and Depreciation		64,121.67	64,580.16	150,162.54	70,300.81	169,529.71	94,194.71	67,625.21	103,193.20	92,055.20	67,625.20	31,275.51	77,757.73
25	O & M Expense													1,052,421.65
26	Book Depreciation		384,419.75	384,419.75	384,419.75	384,419.75	388,288.18	388,288.18	389,202.34	389,298.67	391,756.34	391,945.74	392,025.26	4,660,534.41
27	Total O&M and Depreciation Expense		448,541.42	448,999.91	534,582.29	454,720.56	557,817.89	482,482.89	456,827.55	492,491.87	483,811.54	459,570.94	423,300.77	469,808.42
28														5,712,956.06
29	Income before Taxes		444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	444,463.80	424,709.86
30	Available for return (from above)													5,313,811.68
31	Less book tax credits - Federal PTC		(329,079.56)	(291,554.00)	(353,030.06)	(324,583.96)	(321,122.66)	(191,845.67)	(216,187.50)	(192,880.34)	(274,310.32)	(243,264.06)	(296,390.62)	(3,307,946.21)
32	Less book tax credits - ND ITC		(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(58,834.81)	(58,847.19)	(58,851.16)	(696,754.02)
33	ND ITC - Federal impact		20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,592.18	20,596.52	20,597.91	243,863.91
34	Adjusted Income before interest and taxes		77,900.71	115,426.26	53,950.21	82,396.31	85,857.61	215,134.60	190,792.77	214,099.93	131,910.86	162,949.07	109,819.93	112,737.12
35	Taxable Income (grossed up)	1.643655	128,041.89	189,720.95	88,675.53	135,431.10	141,120.29	353,607.06	313,597.48	351,906.41	216,815.95	267,832.05	180,506.08	185,300.93
36														2,552,555.72
37	Income Taxes													
38	Current and Def Income Taxes	39.160%	50,141.20	74,294.72	34,725.34	53,034.82	55,262.71	138,472.52	122,804.77	137,806.55	84,905.13	104,883.03	70,686.18	72,563.85
39	Tax Adjustment for Additional Tax Basis	32.760%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	999,580.82
40	Federal PTC	6.400%	(329,079.56)	(291,554.00)	(353,030.06)	(324,583.96)	(321,122.66)	(191,845.67)	(216,187.50)	(192,880.34)	(274,310.32)	(243,264.06)	(296,390.62)	(3,307,946.21)
41	ND ITC		(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(57,666.98)	(58,834.81)	(58,847.19)	(58,851.16)	(696,754.02)
42	ND ITC - Federal impact		20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,183.44	20,592.18	20,596.52	20,597.91	243,863.91
43	Total Income Tax Expense		(316,421.89)	(254,742.82)	(355,788.25)	(309,032.68)	(303,343.49)	(90,856.68)	(130,866.26)	(92,557.32)	(227,647.82)	(176,631.71)	(263,957.69)	(239,408.89)
44														(2,761,255.50)
45	REVENUE REQUIREMENTS													
46	Expenses		132,119.53	194,257.09	178,794.04	145,687.88	254,474.41	391,626.21	325,961.29	399,934.54	256,163.73	282,939.23	159,343.08	2,951,700.56
47	Return on rate base		658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	658,406.83	7,881,128.00
48														
49	Total revenue requirements		790,526.36	852,663.92	837,200.86	804,094.71	912,881.23	1,050,033.04	984,368.12	1,058,341.37	914,570.56	941,346.06	817,749.91	10,832,828.56
50														
51	North Dakota share - E2 factor	38.830%	306,961.39	331,089.40	325,085.10	312,229.98	354,471.78	407,727.83	382,230.14	410,953.95	355,127.75	365,524.68	317,532.29	356,467.70
		41.018%	*effective 12-1-2009											<u>4,225,401.98</u>

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

2008

2009

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost											
1	MN Capstructure with allowed ROE per order.														
2	Capital Structure														
3	Debt	43.10%	6.30%	2.72%											
4	Preferred equity	3.60%	4.75%	0.17%											
5	Common equity	53.30%	11.25%	6.00%											
6	Total	100.00%		8.88%											
7															
8															
9	Federal Production Tax Credit														
10	Federal PTC Rate	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000
11	Output (MWH) / month	15,670	13,884	16,811	15,456	15,292	9,136	10,295	9,185	13,062	11,584	14,114	13,033	157,521	
12	Federal PTC Available based on production	329,080	291,554	353,030	324,584	321,123	191,846	216,187	192,880	274,310	243,264	296,391	273,697	3,307,946	
13	Federal PTC Used on tax return	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Deferred	329,080	291,554	353,030	324,584	321,123	191,846	216,187	192,880	274,310	243,264	296,391	273,697	3,307,946	
15	Accumulated Deferred	329,080	620,634	973,664	1,298,248	1,619,370	1,811,216	2,027,403	2,220,284	2,494,594	2,737,858	3,034,249	3,307,946		
16															
17	Deferred Tax														
18	Book depr. rate	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	
19	Book depreciation	384,419.75	384,419.75	384,419.75	384,419.75	388,288.18	388,288.18	389,202.34	389,298.67	391,756.34	391,945.74	392,025.26	392,050.69	4,660,534.41	
20	Tax depreciation-ND	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	23,324,346.71	
21	Tax depreciation-Federal	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	1,943,695.56	23,324,346.71	
22	Book vs. tax depreciation	(1,559,275.81)	(1,559,275.81)	(1,559,275.81)	(1,559,275.81)	(1,555,407.38)	(1,555,407.38)	(1,554,493.22)	(1,554,396.89)	(1,551,939.22)	(1,551,749.82)	(1,551,670.30)	(1,551,644.87)	(18,663,812.31)	
23	Federal & State deferred income taxes	(610,612.41)	(610,612.41)	(610,612.41)	(610,612.41)	(609,097.53)	(609,097.53)	(608,739.54)	(608,701.82)	(607,739.40)	(607,665.23)	(607,634.09)	(607,624.13)	(7,308,748.90)	
24															
25	Additional Tax Basis (permanent difference)													0.00	0.00
26	Tax Impact-ND													0.00	0.00
27	Tax Impact-Federal													0.00	0.00
28	Total Tax Impact													0.00	0.00

PROOF	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Year End 2009
1 Revenue	790,526.36	852,663.92	837,200.86	804,094.71	912,881.23	1,050,033.04	984,368.12	1,058,341.37	914,570.56	941,346.06	817,749.91	869,052.41	10,832,828.56
2													
3 Expenses													
4 O/M and Book Depreciation	448,541.42	448,999.91	534,582.29	454,720.56	557,817.89	482,482.89	456,827.55	492,491.87	483,811.54	459,570.94	423,300.77	469,808.42	5,712,956.06
5 Interest on Debt	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	201,267.89	2,415,214.63
6													
7 Income Taxes													
8 Current Income Tax	(560,471.19)	(536,317.67)	(575,887.06)	(557,577.58)	(553,834.81)	(470,624.98)	(485,934.75)	(470,895.25)	(522,834.26)	(502,782.18)	(536,947.90)	(535,060.27)	(6,309,167.90)
9 Deferred Income Tax	610,612.41	610,612.41	610,612.41	610,612.41	609,097.53	609,097.53	608,739.54	608,701.82	607,739.40	607,665.23	607,634.09	607,624.13	7,308,748.90
10 Permanent Tax Difference - 30% Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Federal Production Tax Credit													
12 Generated PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Deferred PTC	(329,079.56)	(291,554.00)	(353,030.06)	(324,583.96)	(321,122.66)	(191,845.67)	(216,187.50)	(192,880.34)	(274,310.32)	(243,264.06)	(296,390.62)	(273,697.48)	(3,307,946.21)
14 ND Investment Tax Credit													
15 Current ITC	(37,483.54)	(37,483.54)	(37,483.54)	(37,483.54)	(37,483.54)	(37,483.54)	(37,483.54)	(37,483.54)	(38,242.62)	(38,250.67)	(38,253.25)	(38,275.26)	(452,890.11)
16 Deferred ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Total Expenses	333,387.43	395,524.99	380,061.93	346,955.78	455,742.30	592,894.12	527,229.20	601,202.45	457,431.63	484,207.14	360,610.98	431,667.43	5,366,915.37
18													
19 Net Income before preferred dividend	457,138.93	457,138.93	457,138.93	457,138.93	457,138.93	457,138.92	457,138.92	457,138.92	457,138.93	457,138.92	457,138.93	437,384.98	5,465,913.18
20 Dividend on Preferred Stock	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(12,675.14)	(152,101.68)
21													
22 Income available for Common Stock	444,463.79	444,463.79	444,463.80	444,463.79	444,463.79	444,463.78	444,463.78	444,463.78	444,463.79	444,463.78	444,463.79	424,709.84	5,313,811.50
23													
24 Average Rate Base	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19	88,948,353.19
25 Equity Percent	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	3,950,789.35	47,409,472.25
26 Return on Equity Check	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	10.75%
27													
28 Tax Calculation													
29 Income Before Income Taxes													
30 Net Income after prfd	444,463.79	444,463.79	444,463.80	444,463.79	444,463.79	444,463.78	444,463.78	444,463.78	444,463.79	444,463.78	444,463.79	424,709.84	5,313,811.50
31 Less Income Taxes	(316,421.88)	(254,742.80)	(355,788.25)	(309,032.67)	(303,343.48)	(90,856.66)	(130,866.24)	(92,557.30)	(227,647.80)	(176,631.69)	(263,957.68)	(239,408.47)	(2,761,255.32)
32 Total	128,041.91	189,720.98	88,675.55	135,431.12	141,120.31	353,607.12	313,597.54	351,906.48	216,815.99	267,832.10	180,506.11	185,300.97	2,552,556.18
33													
34 Book Depreciation	384,419.75	384,419.75	384,419.75	384,419.75	388,288.18	388,288.18	389,202.34	389,298.67	391,756.34	391,945.74	392,025.26	392,050.69	4,660,534.41
35 Tax Depreciation	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(1,943,695.56)	(23,324,346.71)
36 Tax Depreciation - Permanent Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37 Taxable income	(1,431,233.90)	(1,369,554.82)	(1,470,600.26)	(1,423,844.69)	(1,414,287.06)	(1,201,800.26)	(1,200,895.68)	(1,202,490.41)	(1,335,123.23)	(1,283,917.73)	(1,371,164.19)	(1,366,343.90)	(16,111,256.13)
38 Current income tax	(560,471.19)	(536,317.67)	(575,887.06)	(557,577.58)	(553,834.81)	(470,624.98)	(485,934.75)	(470,895.25)	(522,834.26)	(502,782.18)	(536,947.90)	(535,060.27)	(6,309,167.90)
39 Tie to RR calculation													
40 Total Tax	0.01	0.01	0.01	0.01	0.01	0.03	0.02	0.02	0.02	0.02	0.01	0.01	0.18
41 Income Requirement for Return	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	157.85

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2009						2010						2010 YE Balance		
	Balance Dec-09	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Actual Oct-10	Actual Nov-10		Actual Dec-10	
1	RATE BASE														
2	Plant Balance - Ashtabula	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,679,959.94	117,468,409.42	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(5,036,943.56)	(5,420,080.09)	(5,803,216.63)	(6,186,353.16)	(6,569,489.70)	(6,952,626.23)	(7,335,762.77)	(7,718,899.30)	(8,102,035.83)	(8,485,172.37)	(8,868,308.90)	(9,251,445.44)	(9,634,581.97)	
5	Net Plant in Service	112,643,016.38	112,259,879.85	111,876,743.31	111,493,606.78	111,110,470.24	110,727,333.71	110,344,197.17	109,961,060.64	109,577,924.11	109,194,787.57	108,811,651.04	108,428,514.50	107,833,827.45	
6	Inventory	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	444,658.00	
7	Accum. Deferred Inc. Taxes - Fed & State	(30,910,314.30)	(31,193,987.86)	(31,477,661.41)	(31,761,334.97)	(32,045,008.52)	(32,328,682.08)	(32,612,355.63)	(32,896,029.19)	(33,179,702.75)	(33,463,376.30)	(33,747,049.86)	(34,030,723.41)	(34,314,396.97)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	3,307,946.21	3,627,387.04	3,803,067.08	4,012,854.03	4,281,260.36	4,631,788.50	4,785,108.73	4,986,076.75	5,256,835.68	5,513,782.07	5,811,099.44	6,113,976.74	6,304,644.52	
10	Accum. Deferred Inc. Taxes - ND ITC	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,620,261.41 x	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,167,091.49) x	
12	Accum. Deferred Inc. Taxes - ND ITC	(16,841,111.59)	(16,782,226.58)	(16,723,341.57)	(16,664,456.56)	(16,605,571.55)	(16,546,686.54)	(16,487,801.53)	(16,428,916.52)	(16,370,031.51)	(16,311,146.50)	(16,252,261.49)	(16,193,376.48)	(16,102,874.37) x	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	5,894,389.05	5,873,779.30	5,853,169.54	5,832,559.79	5,811,950.04	5,791,340.28	5,770,730.53	5,750,120.78	5,729,511.02	5,708,901.27	5,688,291.52	5,667,681.76	5,636,006.03 x	
14	End of month rate base	86,012,379.86	85,703,285.86	85,250,431.06	84,831,683.17	84,471,554.68	84,193,547.98	83,718,333.38	83,290,766.56	82,932,990.66	82,561,402.22	82,230,184.75	81,904,527.22	81,255,034.58	
15															
16	Average rate base	88,948,353.19	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	
17															
18	Return on Rate Base		601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	7,213,331.36	
19															
20	Available for return (equity portion of rate base)		399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	4,796,929.61	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		91,732.44	99,724.26	99,005.53	113,515.32	88,052.82	117,823.13	106,667.85	122,135.32	132,065.52	83,817.82	114,720.17	84,296.09	1,253,556.27
25	Book Depreciation		383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	4,597,638.41
26	Total O&M and Depreciation Expense	0	474,868.97	482,860.79	482,142.06	496,651.85	471,189.35	500,959.66	489,804.38	505,271.85	515,202.05	466,954.35	497,856.70	467,432.62	5,851,194.68
27															
28	Income before Taxes														
29	Available for return (from above)		399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	399,744.13	4,796,929.61	
30	Less book tax credits - Federal PTC	0	(319,440.84)	(175,680.03)	(275,180.95)	(268,406.34)	(350,528.13)	(218,714.23)	(200,968.02)	(270,758.93)	(322,340.39)	(297,317.37)	(302,877.30)	(256,061.78)	(3,258,274.32)
31	Less book tax credits - ND ITC		(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,769.61)	(706,504.72)
32	ND ITC - Federal impact		20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	247,276.66	
33	Adjusted Income before interest and taxes		42,028.04	185,788.85	86,287.93	93,062.54	10,940.74	142,754.65	160,500.86	90,709.95	39,128.49	64,151.51	58,591.58	105,482.11	1,079,427.23
34	Taxable Income (grossed up)	1.643655	69,079.60	305,372.76	141,827.58	152,962.71	17,982.81	234,639.39	263,808.04	149,095.86	64,313.73	105,442.94	96,304.34	173,376.20	1,774,205.96
35															
36	Income Taxes														
37	Current and Def Income Taxes	39.160%	27,051.57	119,583.97	55,539.68	59,900.20	7,042.07	91,884.78	103,307.23	58,385.94	25,185.26	41,291.46	37,712.78	67,894.12	694,779.06
38	Tax Adjustment for Additional Tax Basis	32.760%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	6.400%	(319,440.84)	(175,680.03)	(275,180.95)	(268,406.34)	(350,528.13)	(218,714.23)	(200,968.02)	(270,758.93)	(322,340.39)	(297,317.37)	(302,877.30)	(256,061.78)	(3,258,274.32)
40	ND ITC		(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,885.01)	(58,769.61)	(706,504.72)
41	ND ITC - Federal impact		20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	20,609.75	247,276.66	
42	Total Income Tax Expense		(330,664.52)	(94,371.31)	(257,916.52)	(246,781.39)	(381,761.32)	(165,104.70)	(135,936.05)	(250,648.24)	(335,430.39)	(294,301.17)	(303,439.78)	(226,367.91)	(3,022,723.32)
43															
44	REVENUE REQUIREMENTS														
45	Expenses		144,204.45	388,489.48	224,225.54	249,870.46	89,428.03	335,854.96	353,868.34	254,623.61	179,771.66	172,653.18	194,416.93	241,064.72	2,828,471.36
46	Return on rate base		601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	601,110.95	7,213,331.36	
47															
48	Total revenue requirements		745,315.40	989,600.43	825,336.49	850,981.41	690,538.98	936,965.91	954,979.28	855,734.56	780,882.61	773,764.13	795,527.87	842,175.67	10,041,802.72
49															
50															
51	North Dakota share - E2 factor	41.018%	305,713.28	405,914.06	338,536.31	349,055.34	283,245.11	384,324.44	391,713.16	351,004.99	320,302.23	317,382.38	326,309.42	345,443.40	4,118,944.13

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

2009

2010

SUPPORTING INFORMATION / DATA															
Line		Ratio	Cost	WA Cost											
1	MN Capstructure with allowed ROE per order.														
2	Capital Structure														
3	Debt	43.10%	6.30%	2.72%											
4	Preferred equity	3.60%	4.75%	0.17%											
5	Common equity	53.30%	10.75%	5.73%											
6	Total	100.00%		8.62%											
7															
8															
9	Federal Production Tax Credit														
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000		
11	Output (MWH) / month	0	14,520	7,985	12,508	12,200	15,933	9,942	9,135	12,307	14,652	13,514	11,639	148,103	
12	Federal PTC Available based on production	0	319,441	175,680	275,181	268,406	350,528	218,714	200,968	270,759	322,340	297,317	302,877	256,062	3,258,274
13	Federal PTC Used on tax return		0	0	65,394	0	0	65,394	0	0	65,394	0	0	65,394	261,576
14	Deferred		319,441	175,680	209,787	268,406	350,528	153,320	200,968	270,759	256,946	297,317	302,877	190,668	2,996,698
15	Accumulated Deferred		3,627,387	3,803,067	4,012,854	4,281,260	4,631,788	4,785,109	4,986,077	5,256,836	5,513,782	5,811,099	6,113,977	6,304,645	
16															
17	Deferred Tax														
18	Book depr. rate	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%	3.906900%
19	Book depreciation	0	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	4,597,638.41
20	Tax depreciation-ND		1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	13,290,392.92
21	Tax depreciation-Federal		1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	1,107,532.74	13,290,392.92
22	Book vs. tax depreciation		(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(724,396.21)	(8,692,754.51)
23	Federal & State deferred income taxes	0	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(283,673.56)	(3,404,082.66)
24															
25	Additional Tax Basis (permanent difference)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Tax Impact-ND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Tax Impact-Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Total Tax Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PROOF	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Year End 2010	
1	Revenue	745,315.40	989,600.43	825,336.49	850,981.41	690,538.98	936,965.91	954,979.28	855,734.56	780,882.61	773,764.13	795,527.87	842,175.67	10,041,802.72	
2															
3	Expenses														
4	O/M and Book Depreciation	474,868.97	482,860.79	482,142.06	496,651.85	471,189.35	500,959.66	489,804.38	505,271.85	515,202.05	466,954.35	497,856.70	467,432.62	5,851,194.68	
5	Interest on Debt	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	189,436.75	2,273,241.06	
6															
7	Income Taxes														
8	Current Income Tax	(256,621.98)	(164,089.56)	(228,133.86)	(223,773.35)	(276,631.49)	(191,788.75)	(180,366.31)	(225,287.61)	(258,488.29)	(242,382.09)	(245,960.77)	(215,779.42)	(2,709,303.48)	
9	Deferred Income Tax	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	283,673.56	3,404,082.66	
10	Permanent Tax Difference - 30% Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
11	Federal Production Tax Credit														
12	Generated PTC	0.00	0.00	(65,394.00)	0.00	0.00	(65,394.00)	0.00	0.00	(65,394.00)	0.00	0.00	(65,394.00)	(261,576.00)	
13	Deferred PTC	(319,440.84)	(175,680.03)	(209,786.95)	(268,406.34)	(350,528.13)	(153,320.23)	(200,968.02)	(270,758.93)	(256,946.39)	(297,317.37)	(302,877.30)	(190,667.78)	(2,996,698.32)	
14	ND Investment Tax Credit														
15	Current ITC	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,275.26)	(38,200.24)	(459,228.06)	
16	Deferred ITC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
17	Total Expenses	333,641.21	577,926.26	413,662.30	439,307.23	278,864.79	525,291.73	543,305.11	444,060.38	369,208.42	362,089.94	383,853.69	430,501.49	5,101,712.55	
18															
19	Net Income before preferred dividend	411,674.19	411,674.17	411,674.18	411,674.18	411,674.19	411,674.17	411,674.17	411,674.18	411,674.19	411,674.18	411,674.18	411,674.18	4,940,090.17	
20	Dividend on Preferred Stock	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(11,930.06)	(143,160.69)	
21															
22	Income available for Common Stock	399,744.13	399,744.11	399,744.12	399,744.12	399,744.13	399,744.12	399,744.12	399,744.12	399,744.13	399,744.13	399,744.13	399,744.13	4,796,929.48	
23															
24	Average Rate Base	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	83,719,701.69	
25	Equity Percent	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	3,718,550.08	44,622,601.00	
26	Return on Equity Check	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	
27															
28	Tax Calculation														
29	Income Before Income Taxes														
30	Net Income after prfd	399,744.13	399,744.11	399,744.12	399,744.12	399,744.13	399,744.12	399,744.12	399,744.12	399,744.13	399,744.13	399,744.13	399,744.13	4,796,929.48	
31	Less Income Taxes	(330,664.52)	(94,371.29)	(257,916.51)	(246,781.38)	(381,761.32)	(165,104.69)	(135,936.03)	(250,648.23)	(335,430.39)	(294,301.16)	(303,439.77)	(226,367.89)	(3,022,723.20)	
32	Total	69,079.61	305,372.82	141,827.61	152,962.74	17,982.81	234,639.43	263,808.08	149,095.89	64,313.74	105,442.96	96,304.36	173,376.23	1,774,206.29	
33															
34	Book Depreciation	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	383,136.53	4,597,638.41	
35	Tax Depreciation	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(1,107,532.74)	(13,290,392.92)	
36	Tax Depreciation - Permanent Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
37	Taxable income	(655,316.60)	(419,023.39)	(582,568.60)	(571,433.47)	(706,413.40)	(489,568.78)	(460,588.12)	(575,300.32)	(660,082.47)	(618,953.25)	(628,091.85)	(551,019.98)	(6,918,548.22)	
38	Current income tax	(256,621.98)	(164,089.56)	(228,133.86)	(223,773.35)	(276,631.49)	(191,788.75)	(180,366.31)	(225,287.61)	(258,488.29)	(242,382.09)	(245,960.77)	(215,779.42)	(2,709,303.48)	
39	Tie to RR calculation														
40	Total Tax	0.00	0.02	0.01	0.01	0.00	0.02	0.02	0.01	0.00	0.01	0.01	0.01	0.13	
41	Income Requirement for Return	(0.00)	(0.02)	(0.01)	(0.01)	(0.00)	(0.02)	(0.02)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.13)	

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2010						2011						2011 YE Balance		
	Balance Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11		Actual Dec-11	
1	RATE BASE														
2	Plant Balance - Ashtabula	117,468,409.42	117,468,409.42	117,468,409.42	115,592,981.82	115,592,981.82	115,592,981.82	115,592,981.82	115,592,981.82	115,592,981.82	115,592,981.82	115,592,981.82	115,592,981.82	115,838,009.14	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(9,634,581.97)	(10,016,966.74)	(10,399,351.51)	(10,781,736.28)	(11,158,016.22)	(11,534,296.16)	(11,910,576.11)	(12,286,856.05)	(12,663,135.99)	(13,039,415.93)	(13,415,695.87)	(13,791,975.81)	(14,168,255.75)	
5	Net Plant in Service	107,833,827.45	107,451,442.68	107,069,057.91	104,811,245.54	104,434,965.60	104,058,685.66	103,682,405.71	103,306,125.77	102,929,845.83	102,553,565.89	102,177,285.95	101,801,006.01	101,669,753.39	
6	Inventory	444,658.00	444,658.00	444,658.00	444,658.00	435,478.77	444,166.92	444,166.92	444,166.92	418,292.56	418,292.56	418,292.56	418,292.56	403,421.96	
7	Accum. Deferred Inc. Taxes - Fed & State	(34,314,396.97)	(34,396,083.52)	(34,477,770.07)	(34,559,456.63)	(34,643,484.26)	(34,727,511.89)	(34,811,539.52)	(34,895,567.16)	(34,979,594.79)	(35,063,622.42)	(35,147,650.06)	(35,231,677.69)	(35,315,705.32)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	6,304,644.52	6,581,279.89	6,955,391.52	7,255,250.55	7,561,340.93	7,931,054.50	8,218,309.95	8,397,208.60	8,582,478.04	8,824,114.64	9,167,386.69	9,575,428.33	9,952,600.79	
10	Accum. Deferred Inc. Taxes - ND ITC	17,620,261.41	17,620,261.41	17,620,261.41	17,338,947.27	17,338,947.27	17,338,947.27	17,338,947.27	17,338,947.27	17,338,947.27	17,338,947.27	17,338,947.27	17,338,947.27	17,375,701.37	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,167,091.49)	(6,167,091.49)	(6,167,091.49)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,068,631.54)	(6,081,495.47)	
12	Accum. Deferred Inc. Taxes - ND ITC	(16,102,874.37)	(16,044,104.76)	(15,985,335.15)	(15,646,285.64)	(15,588,550.27)	(15,530,814.90)	(15,473,079.53)	(15,415,344.16)	(15,357,608.79)	(15,299,873.42)	(15,242,138.05)	(15,184,402.68)	(15,163,281.66)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	5,636,006.03	5,615,436.66	5,594,867.29	5,476,199.96	5,455,992.58	5,435,785.20	5,415,577.82	5,395,370.44	5,375,163.06	5,354,955.68	5,334,748.30	5,314,540.92	5,307,148.56	
14	End of month rate base	81,255,034.58	81,105,798.87	81,054,039.42	79,051,927.52	78,926,059.08	78,881,681.21	78,746,157.08	78,502,276.15	78,238,891.64	78,057,748.66	77,978,241.13	77,963,503.18	78,148,143.62	
15															
16	Average rate base	83,719,701.69	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	
17															
18	Return on Rate Base		567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	6,812,707.44	
19															
20	Available for return (equity portion of rate base)		377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	4,530,511.13	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		73,448.33	145,976.34	105,562.61	81,269.77	131,435.44	144,375.17	80,200.03	110,623.23	85,946.69	58,250.91	151,220.95	166,597.13	1,334,906.60
25	Book Depreciation	0	382,384.77	382,384.77	382,384.77	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	4,533,673.78	
26	Total O&M and Depreciation Expense	0	455,833.10	528,361.11	487,947.38	457,549.71	507,715.38	520,655.11	456,479.97	486,903.17	462,226.63	434,530.85	527,500.89	5,868,580.38	
27															
28	Income before Taxes														
29	Available for return (from above)		377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	377,542.59	4,530,511.13	
30	Less book tax credits - Federal PTC		(276,635.37)	(374,111.63)	(299,859.03)	(306,090.38)	(369,713.56)	(287,255.45)	(178,898.65)	(185,269.44)	(241,636.60)	(343,272.05)	(408,041.63)	(3,647,956.27)	
31	Less book tax credits - ND ITC		(58,769.61)	(58,769.61)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(695,032.67)	
32	ND ITC - Federal impact		20,569.37	20,569.37	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	243,261.45	
33	Adjusted Income before interest and taxes		62,706.98	(34,769.27)	40,155.57	33,924.23	(29,698.96)	52,759.15	161,115.95	154,745.17	98,378.00	(3,257.45)	(68,027.03)	(37,248.70)	
34	Taxable Income (grossed up)	1.621994	101,710.35	(56,395.55)	65,132.10	55,024.89	(48,171.53)	85,575.03	261,329.10	250,995.73	159,568.53	(5,283.56)	(110,339.43)	698,728.48	
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	39,003.89	(21,626.57)	24,976.86	21,100.95	(18,472.82)	32,816.31	100,214.49	96,251.84	61,191.34	(2,026.14)	(42,312.97)	267,948.40	
38	Tax Adjustment for Additional Tax Basis	33.198%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	5.150%	(276,635.37)	(374,111.63)	(299,859.03)	(306,090.38)	(369,713.56)	(287,255.45)	(178,898.65)	(185,269.44)	(241,636.60)	(343,272.05)	(408,041.63)	(3,647,956.27)	
40	ND ITC		(58,769.61)	(58,769.61)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(57,735.37)	(695,032.67)	
41	ND ITC - Federal impact		20,569.37	20,569.37	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	20,207.38	243,261.45	
42	Total Income Tax Expense		(275,831.72)	(433,938.43)	(312,410.17)	(322,517.42)	(425,714.37)	(291,967.13)	(116,212.16)	(126,545.58)	(217,973.26)	(382,826.18)	(487,882.59)	(437,960.07)	
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		180,001.38	94,422.68	175,537.21	135,032.29	82,001.01	228,687.98	340,267.81	360,357.59	244,253.38	51,704.67	39,618.30	104,917.00	2,036,801.29
47	Return on rate base		567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	567,725.62	6,812,707.44	
48															
49	Total revenue requirements		747,727.00	662,148.29	743,262.83	702,757.91	649,726.63	796,413.60	907,993.43	928,083.21	811,978.99	619,430.29	607,343.92	8,849,508.72	
50															
51	North Dakota share - E2 factor	41.018%	306,702.47	271,599.82	304,871.36	288,257.06	266,504.71	326,672.73	372,440.52	380,680.94	333,057.34	254,077.76	249,120.18	275,904.38	3,629,889.28

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

2010

2011

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost											
1	MN Capstructure with allowed ROE per order.														
2	Capital Structure														
3	Debt	43.10%	6.30%	2.72%											
4	Preferred equity	3.60%	4.75%	0.17%											
5	Common equity	53.30%	10.75%	5.73%											
6	Total	100.00%		8.62%											
7															
8															
9	Federal Production Tax Credit														
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	
11	Output (MWH) / month	0	12,574	17,005	13,630	13,913	16,805	13,057	8,132	9,455	10,983	15,603	18,547	17,144	
12	Federal PTC Available based on production	0	276,635	374,112	299,859	306,090	369,714	287,255	178,899	185,269	241,637	343,272	408,042	377,172	
13	Federal PTC Used on tax return		0	0	0	0	0	0	0	0	0	0	0	0	
14	Deferred		276,635	374,112	299,859	306,090	369,714	287,255	178,899	185,269	241,637	343,272	408,042	377,172	
15	Accumulated Deferred		6,581,280	6,955,392	7,255,251	7,561,341	7,931,054	8,218,310	8,397,209	8,582,478	8,824,115	9,167,387	9,575,428	9,952,601	
16															
17	Deferred Tax														
18	Book depr. rate	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	3.906257%	
19	Book depreciation	0	382,384.77	382,384.77	382,384.77	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	4,533,673.78	
20	Tax depreciation-ND		595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	7,144,783.50	
21	Tax depreciation-Federal		595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	595,398.62	7,144,783.50	
22	Book vs. tax depreciation		(213,013.85)	(213,013.85)	(213,013.85)	(219,118.68)	(219,118.68)	(219,118.68)	(219,118.68)	(219,118.68)	(219,118.68)	(219,118.68)	(219,118.68)	(2,611,109.72)	
23	Federal & State deferred income taxes	0	(81,686.55)	(81,686.55)	(81,686.55)	(84,027.63)	(84,027.63)	(84,027.63)	(84,027.63)	(84,027.63)	(84,027.63)	(84,027.63)	(84,027.63)	(1,001,308.35)	
24															
25	Additional Tax Basis (permanent difference)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Tax Impact-ND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
27	Tax Impact-Federal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total Tax Impact	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	PROOF		Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Year End 2011
1	Revenue		747,727.00	662,148.29	743,262.83	702,757.91	649,726.63	796,413.60	907,993.43	928,083.21	811,978.99	619,430.29	607,343.92	672,642.62	8,849,508.72
2															
3	Expenses														
4	O/M and Book Depreciation		455,833.10	528,361.11	487,947.38	457,549.71	507,715.38	520,655.11	456,479.97	486,903.17	462,226.63	434,530.85	527,500.89	542,877.07	5,868,580.38
5	Interest on Debt		178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	178,915.56	2,146,986.67
6															
7	Income Taxes														
8	Current Income Tax		(42,682.47)	(103,313.23)	(56,709.57)	(62,926.58)	(102,500.55)	(51,211.15)	16,187.36	12,224.70	(22,835.98)	(86,053.78)	(126,340.81)	(107,196.53)	(733,358.59)
9	Deferred Income Tax		81,686.55	81,686.55	81,686.55	84,027.63	84,027.63	84,027.63	84,027.63	84,027.63	84,027.63	84,027.63	84,027.63	84,027.63	1,001,308.35
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit														
12	Generated PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Deferred PTC		(276,635.37)	(374,111.63)	(299,859.03)	(306,090.38)	(369,713.56)	(287,255.45)	(178,898.65)	(185,269.44)	(241,636.60)	(343,272.05)	(408,041.63)	(377,172.47)	(3,647,956.27)
14	ND Investment Tax Credit														
15	Current ITC		(38,200.24)	(38,200.24)	(37,527.99)	(37,527.99)	(37,527.99)	(37,527.99)	(37,527.99)	(37,527.99)	(37,527.99)	(37,527.99)	(37,527.99)	(37,618.83)	(451,771.22)
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses		358,917.13	273,338.12	354,452.90	313,947.95	260,916.47	407,603.70	519,183.88	539,273.64	423,169.24	230,620.22	218,533.64	283,832.44	4,183,789.32
18															
19	Net Income before preferred dividend		388,809.87	388,810.17	388,809.94	388,809.96	388,810.16	388,809.90	388,809.55	388,809.57	388,809.75	388,810.07	388,810.28	388,810.18	4,665,719.40
20	Dividend on Preferred Stock		(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(11,267.47)	(135,209.63)
21															
22	Income available for Common Stock		377,542.40	377,542.70	377,542.47	377,542.49	377,542.69	377,542.43	377,542.08	377,542.10	377,542.28	377,542.60	377,542.81	377,542.71	4,530,509.77
23															
24	Average Rate Base		79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70	79,069,961.70
25	Equity Percent		3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	3,512,024.13	42,144,289.59
26	Return on Equity Check		10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27															
28	Tax Calculation														
29	Income Before Income Taxes														
30	Net Income after prfd		377,542.40	377,542.70	377,542.47	377,542.49	377,542.69	377,542.43	377,542.08	377,542.10	377,542.28	377,542.60	377,542.81	377,542.71	4,530,509.77
31	Less Income Taxes		(275,831.53)	(433,938.54)	(312,410.04)	(322,517.32)	(425,714.47)	(291,966.96)	(116,211.65)	(126,545.09)	(217,972.94)	(382,826.19)	(487,882.81)	(437,960.19)	(3,831,777.72)
32	Total		101,710.87	(56,395.84)	65,132.43	55,025.17	(48,171.78)	85,575.46	261,330.44	250,997.01	159,569.34	(5,283.58)	(110,340.00)	(60,417.48)	698,732.04
33															
34	Book Depreciation		382,384.77	382,384.77	382,384.77	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	376,279.94	4,533,673.78
35	Tax Depreciation		(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(595,398.62)	(7,144,783.50)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income		(111,302.98)	(269,409.70)	(147,881.43)	(164,093.51)	(267,290.46)	(133,543.22)	42,211.75	31,878.33	(59,549.35)	(224,402.27)	(329,458.68)	(279,536.16)	(1,912,377.68)
38	Current income tax		(42,682.47)	(103,313.23)	(56,709.57)	(62,926.58)	(102,500.55)	(51,211.15)	16,187.36	12,224.70	(22,835.98)	(86,053.78)	(126,340.81)	(107,196.53)	(733,358.59)
39	Tie to RR calculation														
40	Total Tax		0.20	(0.11)	0.13	0.11	(0.09)	0.17	0.51	0.49	0.31	(0.01)	(0.22)	(0.12)	1.36
41	Income Requirement for Return		(0.20)	0.11	(0.13)	(0.11)	0.09	(0.17)	(0.51)	(0.49)	(0.31)	0.01	0.22	0.12	(1.36)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2011						2012						2012 YE Balance		
	Balance Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12	Actual Oct-12	Actual Nov-12		Actual Dec-12	
1	RATE BASE														
2	Plant Balance - Ashtabula	115,838,009.14	115,838,009.14	115,838,009.14	115,838,009.14	115,838,009.14	115,838,009.14	115,840,251.75	115,840,251.75	115,840,251.75	115,865,234.02	115,978,996.75	115,978,996.75	115,997,530.63	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(14,168,255.75)	(14,544,810.31)	(14,921,364.87)	(15,297,919.43)	(15,674,473.98)	(16,051,028.54)	(16,427,583.10)	(16,804,144.95)	(17,180,706.80)	(17,557,268.65)	(17,933,911.70)	(18,310,924.51)	(18,687,937.38)	
5	Net Plant in Service	101,669,753.39	101,293,198.83	100,916,644.27	100,540,089.71	100,163,535.16	99,786,980.60	99,412,668.65	99,036,106.80	98,659,544.95	98,307,965.37	98,045,085.05	97,668,072.24	97,309,593.25	
6	Inventory	403,421.96	403,421.96	375,458.77	391,272.38	391,272.38	374,936.81	387,095.79	368,711.99	338,457.56	686,085.86	664,163.76	622,089.05	610,908.12	
7	Accum. Deferred Inc. Taxes - Fed & State	(35,315,705.32)	(35,373,079.05)	(35,430,452.78)	(35,487,826.50)	(35,545,200.23)	(35,602,573.96)	(35,659,947.68)	(35,717,318.62)	(35,774,689.55)	(35,832,060.48)	(35,889,400.27)	(35,946,598.27)	(36,003,796.24)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	9,952,600.79	10,344,019.97	10,615,734.69	10,561,285.19	10,941,601.50	11,269,307.89	11,078,636.24	11,245,585.16	11,420,130.23	11,250,648.37	11,634,010.00	11,894,143.37	11,691,607.45	
10	Accum. Deferred Inc. Taxes - ND ITC	17,375,701.37	17,375,701.37	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,081,495.47)	(6,081,495.47)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	
12	Accum. Deferred Inc. Taxes - ND ITC	(15,163,281.66)	(15,105,406.54)	(15,322,765.46)	(15,263,831.75)	(15,204,898.04)	(15,145,964.33)	(15,087,030.62)	(15,028,096.91)	(14,969,163.20)	(14,910,229.49)	(14,851,295.78)	(14,792,362.07)	(14,733,428.36)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	5,307,148.56	5,286,892.27	5,342,967.89	5,342,341.09	5,321,714.29	5,301,087.49	5,280,460.69	5,259,833.89	5,239,207.09	5,218,580.29	5,197,953.49	5,177,326.70	5,156,699.90	
14	End of month rate base	78,148,143.62	78,143,253.35	77,991,383.50	77,557,126.24	77,541,821.17	77,457,570.61	76,885,679.18	76,638,618.42	76,387,283.19	76,194,786.03	76,274,312.37	76,096,467.13	75,505,380.23	
15															
16	Average rate base	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	
17															
18	Return on Rate Base	6,812,707.44	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	
19															
20	Available for return (equity portion of rate base)	4,530,511.13	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	
21														4,411,122.19	
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		94,062.64	117,866.19	91,504.15	133,683.63	111,527.24	107,115.09	167,388.67	154,846.09	(218,378.15)	122,252.63	139,427.96	102,056.56	1,123,352.70
25	Book Depreciation	0	376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,561.85	376,561.85	376,561.85	376,643.05	377,012.81	377,012.81	4,519,681.57
26	Total O&M and Depreciation Expense	0	470,617.20	494,420.75	468,058.71	510,238.19	488,081.80	483,669.65	543,950.52	531,407.94	158,183.70	498,895.68	516,440.77	479,069.37	5,643,034.27
27															
28	Income before Taxes														
29	Available for return (from above)		367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	367,593.52	
30	Less book tax credits - Federal PTC	0	(391,419.18)	(271,714.72)	(376,922.50)	(380,316.31)	(327,706.39)	(240,700.35)	(166,948.91)	(174,545.07)	(261,890.13)	(383,361.64)	(260,133.37)	(228,836.08)	(3,464,494.66)
31	Less book tax credits - ND ITC		(57,875.12)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(706,145.93)
32	ND ITC - Federal impact		20,256.29	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	247,151.08
33	Adjusted Income before interest and taxes		(61,444.50)	57,571.89	(47,635.90)	(51,029.70)	1,580.22	88,586.26	162,337.69	154,741.53	67,396.47	(54,075.03)	69,153.24	100,450.52	487,632.69
34	Taxable Income (grossed up)	1.621994	(99,662.60)	93,381.26	(77,265.14)	(82,769.87)	2,563.10	143,686.38	263,310.76	250,989.84	109,316.67	(87,709.38)	112,166.13	162,930.15	790,937.29
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	(38,218.62)	35,809.84	(29,629.63)	(31,740.59)	982.90	55,100.85	100,974.41	96,249.58	41,920.76	(33,634.79)	43,013.47	62,480.45	303,308.63
38	Tax Adjustment for Additional Tax Basis	33.198%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	5.150%	(391,419.18)	(271,714.72)	(376,922.50)	(380,316.31)	(327,706.39)	(240,700.35)	(166,948.91)	(174,545.07)	(261,890.13)	(383,361.64)	(260,133.37)	(228,836.08)	(3,464,494.66)
40	ND ITC		(57,875.12)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(706,145.93)
41	ND ITC - Federal impact		20,256.29	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	20,626.80	247,151.08
42	Total Income Tax Expense		(467,256.63)	(274,211.78)	(444,859.05)	(450,363.81)	(365,030.40)	(223,906.41)	(104,281.41)	(116,602.40)	(258,276.29)	(455,303.34)	(255,426.81)	(204,662.54)	(3,620,180.87)
43															
44	REVENUE REQUIREMENTS														
45	Expenses		3,360.57	220,208.96	23,199.66	59,874.38	123,051.40	259,763.24	439,669.11	414,805.54	(100,092.59)	43,592.34	261,013.96	274,406.83	2,022,853.39
46	Return on rate base		552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	552,764.80	6,633,177.60
47															
48	Total revenue requirements		556,125.37	772,973.77	575,964.46	612,639.18	675,816.20	812,528.04	992,433.91	967,570.34	452,672.21	596,357.14	813,778.76	827,171.63	8,656,031.00
49															
50	North Dakota share - E2 factor	41.018%	228,111.37	317,058.19	236,248.96	251,292.18	277,206.12	333,282.55	407,076.29	396,877.76	185,676.97	244,613.62	333,795.57	339,289.05	3,550,528.63

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

2011

2012

SUPPORTING INFORMATION / DATA															
Line		Ratio	Cost	WA Cost											
1	MN Capstructure with allowed ROE per order.														
2	Capital Structure														
3	Debt	43.10%	6.30%	2.72%											
4	Preferred equity	3.60%	4.75%	0.17%											
5	Common equity	53.30%	10.75%	5.73%											
6	Total	100.00%		8.62%											
7															
8															
9	Federal Production Tax Credit														
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000	\$22.000		
11	Output (MWH) / month	22,748	17,792	12,351	17,133	17,287	14,896	10,941	7,589	7,934	11,904	17,426	11,824	10,402	157,477
12	Federal PTC Available based on production	0	391,419	271,715	376,923	380,316	327,706	240,700	166,949	174,545	261,890	383,362	260,133	228,836	3,464,495
13	Federal PTC Used on tax return		0	0	431,372	0	0	431,372	0	0	431,372	0	0	431,372	1,725,488
14	Deferred		391,419	271,715	(54,449)	380,316	327,706	(190,672)	166,949	174,545	(169,482)	383,362	260,133	(202,536)	1,739,007
15	Accumulated Deferred		10,344,020	10,615,735	10,561,285	10,941,602	11,269,308	11,078,636	11,245,585	11,420,130	11,250,648	11,634,010	11,894,143	11,691,607	
16															
17	Deferred Tax														
18	Book depr. rate	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	3.900839%	
19	Book depreciation	0	376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,561.85	376,561.85	376,643.05	377,012.81	377,012.87	4,519,681.63
20	Tax depreciation-ND		526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	6,314,014.89
21	Tax depreciation-Federal		526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	526,167.91	6,314,014.89
22	Book vs. tax depreciation		(149,613.35)	(149,613.35)	(149,613.35)	(149,613.35)	(149,613.35)	(149,613.35)	(149,606.06)	(149,606.06)	(149,606.06)	(149,524.86)	(149,155.10)	(149,155.04)	(1,794,333.26)
23	Federal & State deferred income taxes	0	(57,373.73)	(57,373.73)	(57,373.73)	(57,373.73)	(57,373.73)	(57,373.73)	(57,370.93)	(57,370.93)	(57,370.93)	(57,339.79)	(57,198.00)	(57,197.98)	(688,090.92)
24															
25	Additional Tax Basis (permanent difference)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Tax Impact-ND		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Tax Impact-Federal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Total Tax Impact		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	PROOF		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Year End 2012
1	Revenue		556,125.37	772,973.77	575,964.46	612,639.18	675,816.20	812,528.04	992,433.91	967,570.34	452,672.21	596,357.14	813,778.76	827,171.63	8,656,031.00
2															
3	Expenses														
4	O/M and Book Depreciation		470,617.20	494,420.75	468,058.71	510,238.19	488,081.80	483,669.65	543,950.52	531,407.94	158,183.70	498,895.68	516,440.77	479,069.37	5,643,034.27
5	Interest on Debt		174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	174,200.74	2,090,408.85
6															
7	Income Taxes														
8	Current Income Tax		(95,592.54)	(21,563.70)	(87,003.51)	(89,114.48)	(56,390.82)	(2,272.60)	43,603.99	38,879.14	(15,449.96)	(90,974.76)	(14,184.31)	5,282.80	(384,780.74)
9	Deferred Income Tax		57,373.73	57,373.73	57,373.73	57,373.73	57,373.73	57,373.73	57,370.93	57,370.93	57,370.93	57,339.79	57,198.00	57,197.98	688,090.92
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit														
12	Generated PTC		0.00	0.00	(431,372.00)	0.00	0.00	(431,372.00)	0.00	0.00	(431,372.00)	0.00	0.00	(431,372.00)	(1,725,488.00)
13	Deferred PTC		(391,419.18)	(271,714.72)	54,449.50	(380,316.31)	(327,706.39)	190,671.65	(166,948.91)	(174,545.07)	169,481.87	(383,361.64)	(260,133.37)	202,535.92	(1,739,006.66)
14	ND Investment Tax Credit														
15	Current ITC		(37,618.83)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(458,994.85)
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses		177,561.11	394,409.88	197,400.25	234,074.95	297,252.14	433,964.26	613,870.36	589,006.77	74,108.36	217,792.90	435,214.92	448,607.88	4,113,263.79
18															
19	Net Income before preferred dividend		378,564.26	378,563.88	378,564.21	378,564.22	378,564.06	378,563.78	378,563.55	378,563.57	378,563.85	378,564.23	378,563.84	378,563.74	4,542,767.21
20	Dividend on Preferred Stock		(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(10,970.55)	(131,646.56)
21															
22	Income available for Common Stock		367,593.71	367,593.33	367,593.67	367,593.68	367,593.51	367,593.24	367,593.00	367,593.03	367,593.30	367,593.69	367,593.30	367,593.20	4,411,120.65
23															
24	Average Rate Base		76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23	76,986,294.23
25	Equity Percent		3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	3,419,474.57	41,033,694.83
26	Return on Equity Check		10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27															
28	Tax Calculation														
29	Income Before Income Taxes														
30	Net Income after prfd		367,593.71	367,593.33	367,593.67	367,593.68	367,593.51	367,593.24	367,593.00	367,593.03	367,593.30	367,593.69	367,593.30	367,593.20	4,411,120.65
31	Less Income Taxes		(467,256.82)	(274,211.60)	(444,859.20)	(450,363.97)	(365,030.40)	(223,906.13)	(104,280.90)	(116,601.91)	(258,276.08)	(455,303.51)	(255,426.59)	(204,662.22)	(3,620,179.33)
32	Total		(99,663.11)	93,381.73	(77,265.53)	(82,770.29)	2,563.11	143,687.11	263,312.10	250,991.11	109,317.23	(87,709.83)	112,166.71	162,930.98	790,941.32
33															
34	Book Depreciation		376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,554.56	376,561.85	376,561.85	376,561.85	376,643.05	377,012.81	377,012.87	4,519,681.63
35	Tax Depreciation		(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(526,167.91)	(6,314,014.89)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income		(249,276.46)	(56,231.62)	(226,878.88)	(232,383.64)	(147,050.23)	(5,926.24)	113,706.05	101,385.06	(40,288.83)	(237,234.68)	(36,988.39)	13,775.94	(1,003,391.94)
38	Current income tax		(95,592.54)	(21,563.70)	(87,003.51)	(89,114.48)	(56,390.82)	(2,272.60)	43,603.99	38,879.14	(15,449.96)	(90,974.76)	(14,184.31)	5,282.80	(384,780.74)
39	Tie to RR calculation														
40	Total Tax		(0.19)	0.18	(0.15)	(0.16)	0.01	0.28	0.51	0.49	0.21	(0.17)	0.22	0.32	1.54
41	Income Requirement for Return		0.19	(0.18)	0.15	0.16	(0.01)	(0.28)	(0.51)	(0.49)	(0.21)	0.17	(0.22)	(0.32)	(1.54)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2012						2013						2013 YE Balance		
	Balance Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Actual Sep-13	Actual Oct-13	Actual Nov-13		Actual Dec-13	
1	RATE BASE														
2	Plant Balance - Ashtabula	115,997,530.63	115,997,530.63	115,938,171.38	115,938,171.38	115,938,171.38	115,938,171.38	116,091,196.27	116,117,434.92	116,117,434.92	116,117,434.92	116,153,304.27	116,153,304.27	116,446,097.89	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(18,687,937.38)	(19,064,942.09)	(19,441,946.80)	(19,818,758.62)	(20,195,570.44)	(20,572,382.26)	(20,949,194.08)	(21,326,504.39)	(21,703,900.04)	(22,081,295.69)	(22,458,691.34)	(22,836,203.55)	(23,213,715.76)	
5	Net Plant in Service	97,309,593.25	96,932,588.54	96,496,224.58	96,119,412.76	95,742,600.94	95,365,789.12	95,142,002.19	94,790,930.53	94,413,534.88	94,036,139.23	93,694,612.93	93,317,100.72	93,232,382.13	
6	Inventory	610,908.12	577,612.51	555,887.57	550,754.79	565,081.77	561,990.96	524,184.95	552,236.88	526,662.41	546,862.51	538,632.39	533,033.04	511,269.11	
7	Accum. Deferred Inc. Taxes - Fed & State	(36,003,796.24)	(36,036,402.98)	(36,069,009.72)	(36,101,690.43)	(36,134,371.14)	(36,167,051.85)	(36,199,732.56)	(36,232,222.10)	(36,264,678.93)	(36,297,135.75)	(36,329,592.57)	(36,362,004.69)	(36,394,416.82)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	11,691,607.45	12,046,488.84	12,275,638.42	12,501,744.96	12,891,729.74	13,248,591.72	13,492,680.44	13,672,626.43	13,815,842.83	14,064,745.47	14,391,050.71	14,755,871.81	15,119,949.11	
10	Accum. Deferred Inc. Taxes - ND ITC	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,651,994.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,178,197.89)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	
12	Accum. Deferred Inc. Taxes - ND ITC	(14,733,428.36)	(14,674,494.65)	(14,615,560.94)	(14,556,627.23)	(14,497,693.52)	(14,413,391.35)	(14,354,561.18)	(14,295,731.01)	(14,236,900.84)	(14,178,070.67)	(14,119,240.50)	(14,060,410.33)	(14,001,580.16)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	5,156,699.90	5,136,073.10	5,115,446.30	5,094,819.50	5,074,192.70	5,044,686.95	5,024,096.39	5,003,505.83	4,982,915.27	4,962,324.71	4,941,734.15	4,921,143.59	4,900,553.03	
14	End of month rate base	75,505,380.23	75,455,661.47	75,232,422.32	75,082,210.46	75,115,336.61	75,097,854.86	75,085,909.54	74,948,585.87	74,694,614.94	74,592,104.82	74,574,436.42	74,561,973.45	74,825,395.72	
15															
16	Average rate base	76,986,294.23	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	
17															
18	Return on Rate Base	6,633,177.60	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	
19															
20	Available for return (equity portion of rate base)	4,411,122.19	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		137,510.04	122,011.43	108,766.40	117,855.26	107,467.21	162,460.55	120,485.63	146,642.43	104,616.90	113,943.05	141,432.96	(10,914.79)	1,372,277.07
25	Book Depreciation	(0)	377,004.71	377,004.71	376,811.82	376,811.82	376,811.82	376,811.82	377,310.31	377,395.65	377,395.65	377,395.65	377,512.21	377,512.21	4,525,778.38
26	Total O&M and Depreciation Expense	0	514,514.75	499,016.14	485,578.22	494,667.08	484,279.03	539,272.37	497,795.94	524,038.08	482,012.55	491,338.70	518,945.17	366,597.42	5,898,055.45
27															
28	Income before Taxes														
29	Available for return (from above)		358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	358,025.59	4,296,307.09
30	Less book tax credits - Federal PTC	0	(354,881.38)	(229,149.58)	(226,106.54)	(389,984.79)	(356,861.97)	(244,088.72)	(179,946.00)	(143,216.40)	(248,902.64)	(326,305.23)	(364,821.10)	(364,077.30)	(3,428,341.66)
31	Less book tax credits - ND ITC		(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(706,376.20)
32	ND ITC - Federal impact		20,626.80	20,626.80	20,626.80	20,626.80	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	247,231.67
33	Adjusted Income before interest and taxes		(35,162.70)	90,569.10	93,612.14	(70,266.11)	(37,075.99)	75,697.26	139,839.98	176,569.58	70,883.34	(6,519.25)	(45,035.12)	(44,291.32)	408,820.90
34	Taxable Income (grossed up)	1.621994	(57,033.70)	146,902.54	151,838.33	(113,971.20)	(60,137.04)	122,780.50	226,819.61	286,394.80	114,972.35	(10,574.19)	(73,046.70)	(71,840.26)	663,105.04
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	(21,871.28)	56,334.18	58,226.96	(43,705.68)	(23,061.35)	47,083.87	86,980.78	109,826.68	44,089.60	(4,054.99)	(28,011.95)	(27,549.30)	254,287.52
38	Tax Adjustment for Additional Tax Basis	33.198%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	5.150%	(354,881.38)	(229,149.58)	(226,106.54)	(389,984.79)	(356,861.97)	(244,088.72)	(179,946.00)	(143,216.40)	(248,902.64)	(326,305.23)	(364,821.10)	(364,077.30)	(3,428,341.66)
40	ND ITC		(58,933.71)	(58,933.71)	(58,933.71)	(58,933.71)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(706,376.20)
41	ND ITC - Federal impact		20,626.80	20,626.80	20,626.80	20,626.80	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	247,231.67
42	Total Income Tax Expense		(415,059.58)	(211,122.31)	(206,186.49)	(471,997.37)	(418,162.94)	(235,244.46)	(131,204.82)	(71,629.33)	(243,052.66)	(368,599.83)	(431,072.66)	(429,866.22)	(3,633,198.67)
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		99,455.17	287,893.83	279,391.73	22,669.71	66,116.09	304,027.91	366,591.12	452,408.75	238,959.89	122,738.87	87,872.51	(63,268.80)	2,264,856.78
47	Return on rate base		538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	538,377.14	6,460,525.63
48															
49	Total revenue requirements		637,832.31	826,270.97	817,768.87	561,046.84	604,493.23	842,405.04	904,968.25	990,785.88	777,337.03	661,116.00	626,249.65	475,108.34	8,725,382.41
50															
51	North Dakota share - E2 factor	41.018%	261,625.90	338,919.62	335,432.23	230,130.05	247,950.88	345,537.49	371,199.65	406,400.31	318,847.91	271,176.40	256,874.92	194,879.82	3,578,975.17

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

2012

2013

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost											
1	MN Capstructure with allowed ROE per order.														
2	Capital Structure														
3	Debt	43.10%	6.30%	2.72%											
4	Preferred equity	3.60%	4.75%	0.17%											
5	Common equity	53.30%	10.75%	5.73%											
6	Total	100.00%		8.62%											
7															
8															
9	Federal Production Tax Credit														
10	Federal PTC Rate	\$22.000	\$22.000	\$22.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	\$23.000	
11	Output (MWH) / month	0	16,131	10,416	10,278	15,355	15,516	10,613	7,824	6,227	10,822	14,187	15,862	15,829	
12	Federal PTC Available based on production	0	354,881	229,150	226,107	389,985	356,862	244,089	179,946	143,216	248,903	326,305	364,821	364,077	
13	Federal PTC Used on tax return		0	0	0	0	0	0	0	0	0	0	0	0	
14	Deferred		354,881	229,150	226,107	389,985	356,862	244,089	179,946	143,216	248,903	326,305	364,821	364,077	
15	Accumulated Deferred		12,046,489	12,275,638	12,501,745	12,891,730	13,248,592	13,492,680	13,672,626	13,815,843	14,064,745	14,391,051	14,755,872	15,119,949	
16															
17	Deferred Tax														
18	Book depr. rate	3.902215%	3.902215%	3.902215%	3.902215%	3.900132%	3.900132%	3.900132%	3.900132%	3.900132%	3.900132%	3.900132%	3.900132%	3.900132%	
19	Book depreciation	0	377,004.71	377,004.71	376,811.82	376,811.82	376,811.82	377,310.31	377,395.65	377,395.65	377,395.65	377,512.21	377,512.21	4,525,778.38	
20	Tax depreciation-ND		462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	5,544,398.84	
21	Tax depreciation-Federal		462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	462,033.24	5,544,398.84	
22	Book vs. tax depreciation		(85,028.53)	(85,028.53)	(85,221.42)	(85,221.42)	(85,221.42)	(85,221.42)	(84,722.93)	(84,637.59)	(84,637.59)	(84,521.03)	(84,521.03)	(1,018,620.46)	
23	Federal & State deferred income taxes	0	(32,606.74)	(32,606.74)	(32,680.71)	(32,680.71)	(32,680.71)	(32,489.55)	(32,456.82)	(32,456.82)	(32,456.82)	(32,412.12)	(32,412.12)	(390,620.57)	
24															
25	Additional Tax Basis (permanent difference)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
26	Tax Impact-ND		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
27	Tax Impact-Federal		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
28	Total Tax Impact		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	PROOF		Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Year End 2013
1	Revenue		637,832.31	826,270.97	817,768.87	561,046.84	604,493.23	842,405.04	904,968.25	990,785.88	777,337.03	661,116.00	626,249.65	475,108.34	8,725,382.41
2															
3	Expenses														
4	O/M and Book Depreciation		514,514.75	499,016.14	485,578.22	494,667.08	484,279.03	539,272.37	497,795.94	524,038.08	482,012.55	491,338.70	518,945.17	366,597.42	5,898,055.45
5	Interest on Debt		169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	169,666.55	2,035,998.54
6															
7	Income Taxes														
8	Current Income Tax		(54,478.13)	23,727.73	25,546.55	(76,386.61)	(55,742.18)	14,403.40	54,491.68	77,370.41	11,633.00	(36,511.83)	(60,424.21)	(59,961.57)	(136,331.76)
9	Deferred Income Tax		32,606.74	32,606.74	32,680.71	32,680.71	32,680.71	32,489.55	32,456.82	32,456.82	32,456.82	32,412.12	32,412.12	32,412.12	390,620.57
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Federal Production Tax Credit														
12	Generated PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Deferred PTC		(354,881.38)	(229,149.58)	(226,106.54)	(389,984.79)	(356,861.97)	(244,088.72)	(179,946.00)	(143,216.40)	(248,902.64)	(326,305.23)	(364,821.10)	(364,077.30)	(3,428,341.66)
14	ND Investment Tax Credit														
15	Current ITC		(38,306.91)	(38,306.91)	(38,306.91)	(38,306.91)	(38,239.61)	(38,239.61)	(38,239.61)	(38,239.61)	(38,239.61)	(38,239.61)	(38,239.61)	(38,239.61)	(459,144.53)
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Total Expenses		269,121.61	457,560.66	449,058.57	192,336.03	235,782.52	473,694.69	536,258.10	622,075.85	408,626.66	292,405.39	257,538.91	106,397.61	4,300,856.62
18															
19	Net Income before preferred dividend		368,710.70	368,710.30	368,710.29	368,710.81	368,710.71	368,710.35	368,710.15	368,710.03	368,710.37	368,710.61	368,710.73	368,710.73	4,424,525.79
20	Dividend on Preferred Stock		(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(10,685.00)	(128,219.99)
21															
22	Income available for Common Stock		358,025.70	358,025.30	358,025.29	358,025.81	358,025.71	358,025.35	358,025.15	358,025.03	358,025.37	358,025.61	358,025.73	358,025.73	4,296,305.80
23															
24	Average Rate Base		74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82	74,982,452.82
25	Equity Percent		3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	3,330,470.61	39,965,647.35
26	Return on Equity Check		10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%	10.75%
27															
28	Tax Calculation														
29	Income Before Income Taxes														
30	Net Income after prfd		358,025.70	358,025.30	358,025.29	358,025.81	358,025.71	358,025.35	358,025.15	358,025.03	358,025.37	358,025.61	358,025.73	358,025.73	4,296,305.80
31	Less Income Taxes		(415,059.69)	(211,122.02)	(206,186.19)	(471,997.60)	(418,163.06)	(235,244.22)	(131,204.38)	(71,628.78)	(243,052.43)	(368,599.85)	(431,072.80)	(429,866.36)	(3,633,197.38)
32	Total		(57,033.99)	146,903.28	151,839.10	(113,971.78)	(60,137.35)	122,781.13	226,820.77	286,396.26	114,972.93	(10,574.24)	(73,047.07)	(71,840.63)	663,108.42
33															
34	Book Depreciation		377,004.71	377,004.71	376,811.82	376,811.82	376,811.82	376,811.82	377,310.31	377,395.65	377,395.65	377,395.65	377,512.21	377,512.21	4,525,778.38
35	Tax Depreciation		(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(462,033.24)	(5,544,398.84)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Taxable income		(142,062.51)	61,874.76	66,617.68	(199,193.20)	(145,358.76)	37,559.71	142,097.84	201,758.67	30,335.35	(95,211.83)	(157,568.09)	(156,361.65)	(355,512.04)
38	Current income tax		(54,478.13)	23,727.73	25,546.55	(76,386.61)	(55,742.18)	14,403.40	54,491.68	77,370.41	11,633.00	(36,511.83)	(60,424.21)	(59,961.57)	(136,331.76)
39	Tie to RR calculation														
40	Total Tax		(0.11)	0.29	0.30	(0.22)	(0.12)	0.24	0.44	0.56	0.22	(0.02)	(0.14)	(0.14)	1.29
41	Income Requirement for Return		0.11	(0.29)	(0.30)	0.22	0.12	(0.24)	(0.44)	(0.56)	(0.22)	0.02	0.14	0.14	(1.29)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2013					2014					Projected Nov-14	Projected Dec-14	2014 YE Balance	
	Balance Dec-13	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14	Actual Jul-14	Actual Aug-14	Actual Sep-14				Actual Oct-14
1	RATE BASE													
2	Plant Balance - Ashtabula	116,446,097.89	116,446,097.89	116,446,097.89	116,446,097.89	116,517,041.57	116,517,041.57	116,517,041.57	116,517,041.57	116,320,956.96	116,320,956.96	116,417,945.11	116,417,945.11	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated Depreciation	(23,213,715.76)	(23,611,544.15)	(24,009,372.54)	(24,407,200.93)	(24,805,029.32)	(25,203,100.08)	(25,601,170.84)	(25,999,241.60)	(26,397,312.37)	(26,795,383.13)	(27,192,783.99)	(27,590,184.84)	(27,987,917.05)
5	Net Plant in Service	93,232,382.13	92,834,553.74	92,436,725.35	92,038,896.96	91,712,012.25	91,313,941.49	90,915,870.73	90,517,799.97	90,119,729.20	89,725,573.83	89,328,172.97	88,934,762.27	88,541,028.06
6	Inventory	511,269.11	494,759.10	463,098.79	479,228.48	492,302.35	470,191.59	488,527.66	460,198.69	472,056.27	461,840.21	458,165.08	458,165.08	458,165.08
7	Accum. Deferred Inc. Taxes - Fed & State	(36,394,416.82)	(36,238,629.88)	(36,082,842.95)	(35,927,056.02)	(35,771,269.09)	(35,615,387.45)	(35,459,505.81)	(35,303,624.17)	(35,147,742.53)	(34,991,860.89)	(34,836,241.02)	(34,680,621.14)	(34,524,871.80)
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Accum. Deferred Inc. Taxes - Federal PTC	15,119,949.11	14,933,569.10	14,703,934.17	14,443,088.93	14,194,564.97	13,900,210.54	13,532,565.00	13,145,564.58	12,655,457.63	12,316,757.87	12,097,768.33	11,811,848.55	11,495,961.34
10	Accum. Deferred Inc. Taxes - ND ITC	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)
12	Accum. Deferred Inc. Taxes - ND ITC	(14,001,580.16)	(13,942,749.99)	(13,883,919.82)	(13,825,089.65)	(13,766,259.48)	(13,707,429.31)	(13,648,599.14)	(13,589,768.97)	(13,530,938.80)	(13,472,108.63)	(13,413,278.46)	(13,354,448.29)	(13,295,618.12)
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	4,900,553.03	4,879,962.47	4,859,371.91	4,838,781.35	4,818,190.79	4,797,600.23	4,777,009.67	4,756,419.12	4,735,828.56	4,715,238.00	4,694,647.44	4,674,056.88	4,653,466.32
14	End of month rate base	74,825,395.72	74,418,703.85	73,953,606.76	73,505,089.36	73,136,781.11	72,616,366.41	72,063,107.42	71,443,828.51	70,761,629.64	70,012,679.69	69,586,473.65	69,194,000.65	68,674,370.19
15	Average rate base	74,982,452.82	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61	71,860,925.61
16	Return on Rate Base	6,460,525.63	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44
17	Available for return (equity portion of rate base)	4,296,307.09	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95
18														
19														
20														
21														
22	EXPENSES													
23	O&M and Depreciation													
24	O & M Expense		107,565.50	104,739.87	98,377.06	187,778.74	153,692.14	92,744.82	111,414.36	124,035.95	92,648.05	96,639.36	107,042.17	107,042.17
25	Book Depreciation	0	397,828.39	397,828.39	397,828.39	397,828.39	398,070.76	398,070.76	398,070.76	398,070.76	398,070.76	397,400.86	397,400.86	397,732.21
26	Total O&M and Depreciation Expense	0	505,393.89	502,568.26	496,205.45	585,607.13	551,762.90	490,815.58	509,485.12	522,106.71	490,718.81	494,040.22	504,443.02	504,774.37
27														
28	Income before Taxes													
29	Available for return (from above)		343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95	343,120.95
30	Less book tax credits - Federal PTC	0	(442,014.64)	(398,759.72)	(367,549.41)	(379,870.69)	(334,040.22)	(260,749.11)	(241,394.22)	(138,287.71)	(289,694.89)	(409,405.11)	(342,474.88)	(312,507.44)
31	Less book tax credits - ND ITC		(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)
32	ND ITC - Federal impact		20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56
33	Adjusted Income before interest and taxes		(137,133.31)	(93,878.38)	(62,668.07)	(74,989.35)	(29,158.89)	44,132.22	63,487.12	166,593.63	15,186.45	(104,523.77)	(37,593.54)	(7,626.10)
34	Taxable Income (grossed up)	1.641352	(225,083.96)	(154,087.42)	(102,860.33)	(123,083.89)	(47,859.98)	72,436.49	104,204.68	273,438.72	24,926.30	(171,560.25)	(61,704.21)	(12,517.11)
35														
36	Income Taxes													
37	Current and Def Income Taxes	39.075%	(87,950.66)	(60,209.04)	(40,192.26)	(48,094.54)	(18,701.10)	28,304.27	40,717.56	106,845.08	9,739.85	(67,036.48)	(24,110.67)	(4,891.01)
38	Tax Adjustment for Additional Tax Basis	32.806%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	Federal PTC	6.269%	(442,014.64)	(398,759.72)	(367,549.41)	(379,870.69)	(334,040.22)	(260,749.11)	(241,394.22)	(138,287.71)	(289,694.89)	(409,405.11)	(342,474.88)	(312,507.44)
40	ND ITC		(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)
41	ND ITC - Federal impact		20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56
42	Total Income Tax Expense		(568,204.91)	(497,208.37)	(445,981.28)	(466,204.84)	(390,980.93)	(270,684.45)	(238,916.27)	(69,682.23)	(318,194.65)	(514,681.20)	(404,825.16)	(355,638.06)
43														
44														
45	REVENUE REQUIREMENTS													
46	Expenses		(62,811.02)	5,359.89	50,224.17	119,402.29	160,781.97	220,131.13	270,568.85	452,424.48	172,524.16	(20,640.98)	99,617.86	149,136.31
47	Return on rate base		515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44	515,964.44
48														
49	Total revenue requirements		453,153.42	521,324.33	566,188.61	635,366.73	676,746.41	736,095.57	786,533.29	968,388.92	688,488.60	495,323.46	615,582.30	665,100.75
50														
51	North Dakota share - E2 factor	41.018%	185,874.36	213,836.68	232,239.10	260,614.57	277,587.67	301,931.50	322,620.03	397,213.53	282,404.08	203,171.65	252,499.39	272,810.86
														3,202,803.42

Otter Tail Power Company
North Dakota Renewable Resource Rider
Ashtabula Wind Farm

Line	2014						2015						2015 YE Balance		
	Balance Dec-14	Projected Jan-15	Projected Feb-15	Projected Mar-15	Projected Apr-15	Projected May-15	Projected Jun-15	Projected Jul-15	Projected Aug-15	Projected Sep-15	Projected Oct-15	Projected Nov-15		Projected Dec-15	
1	RATE BASE														
2	Plant Balance - Ashtabula	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	116,417,945.11	
3	Less: Federal Grant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	Accumulated. Depreciation	(27,987,917.05)	(28,385,649.26)	(28,783,381.47)	(29,181,113.67)	(29,578,845.88)	(29,976,578.09)	(30,374,310.30)	(30,772,042.51)	(31,169,774.71)	(31,567,506.92)	(31,965,239.13)	(32,362,971.34)	(32,760,703.55)	
5	Net Plant in Service	88,430,028.06	88,032,295.85	87,634,563.64	87,236,831.43	86,839,099.23	86,441,367.02	86,043,634.81	85,645,902.60	85,248,170.39	84,850,438.19	84,452,705.98	84,054,973.77	83,657,241.56	
6	Inventory	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	458,165.08	
7	Accum. Deferred Inc. Taxes - Fed & State	(34,524,871.80)	(34,366,515.95)	(34,208,160.11)	(34,049,804.27)	(33,891,448.42)	(33,733,092.58)	(33,574,736.74)	(33,416,380.89)	(33,258,025.05)	(33,099,669.21)	(32,941,313.36)	(32,782,957.52)	(32,624,601.68)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	11,495,961.34	10,613,977.39	9,642,951.42	8,707,458.74	7,787,485.96	6,897,352.30	5,899,230.06	4,831,299.41	3,782,464.51	2,807,715.76	1,905,538.53	1,000,494.20	64,179.51	
10	Accum. Deferred Inc. Taxes - ND ITC	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	17,626,522.00	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	(6,169,282.69)	
12	Accum. Deferred Inc. Taxes - ND ITC	(13,295,618.12)	(13,236,787.95)	(13,177,957.78)	(13,119,127.61)	(13,060,297.44)	(13,001,467.27)	(12,942,637.10)	(12,883,806.93)	(12,824,976.76)	(12,766,146.59)	(12,707,316.42)	(12,648,486.25)	(12,589,656.08)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	4,653,466.32	4,632,875.76	4,612,285.20	4,591,694.64	4,571,104.08	4,550,513.52	4,529,922.96	4,509,332.40	4,488,741.84	4,468,151.28	4,447,560.72	4,426,970.16	4,406,379.60	
14	End of month rate base	68,674,370.19	67,591,249.49	66,419,086.76	65,282,457.33	64,161,347.79	63,070,077.38	61,870,818.39	60,601,750.98	59,351,779.33	58,175,893.82	57,072,579.83	55,966,398.76	54,828,947.31	
15															
16	Average rate base	71,860,925.61	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	61,774,365.95	
17															
18	Return on Rate Base	6,191,573.28	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	
19															
20	Available for return (equity portion of rate base)	4,117,451.39	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		140,282.11	101,079.11	148,445.11	127,733.11	102,734.11	102,734.20	102,734.10	102,734.10	127,734.10	127,734.10	102,734.10	102,734.10	1,389,412.50
25	Book Depreciation	0	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	397,732.21	4,772,786.50
26	Total O&M and Depreciation Expense	0	538,014.32	498,811.32	546,177.32	525,465.32	500,466.32	500,466.41	500,466.31	500,466.31	525,466.31	525,466.31	500,466.31	500,466.31	6,162,199.00
27															
28	Income before Taxes														
29	Available for return (from above)		294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	294,959.73	3,539,516.73
30	Less book tax credits - Federal PTC	0	(380,425.46)	(291,383.44)	(326,916.73)	(342,436.63)	(372,275.76)	(264,287.17)	(194,478.76)	(213,574.51)	(287,660.66)	(360,232.18)	(357,365.09)	(326,094.72)	(3,717,131.12)
31	Less book tax credits - ND ITC		(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(705,962.04)
32	ND ITC - Federal impact		20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	247,086.71
33	Adjusted Income before interest and taxes		(123,705.35)	(34,663.32)	(70,196.61)	(85,716.51)	(115,555.64)	(7,567.05)	62,241.36	43,145.61	(30,940.54)	(103,512.06)	(100,644.97)	(69,374.60)	(636,489.71)
34	Taxable Income (grossed up)	1,641,352	(203,043.96)	(56,894.70)	(115,217.32)	(140,690.92)	(189,667.43)	(12,420.20)	102,159.95	70,817.11	(50,784.30)	(169,899.69)	(165,193.78)	(113,868.11)	(1,044,703.38)
35															
36	Income Taxes														
37	Current and Def Income Taxes	39.075%	(79,338.62)	(22,231.38)	(45,020.71)	(54,974.42)	(74,111.79)	(4,853.14)	39,918.59	27,671.50	(19,843.76)	(66,387.62)	(64,548.81)	(44,493.51)	(408,213.67)
38	Tax Adjustment for Additional Tax Basis	32.806%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	6.269%	(380,425.46)	(291,383.44)	(326,916.73)	(342,436.63)	(372,275.76)	(264,287.17)	(194,478.76)	(213,574.51)	(287,660.66)	(360,232.18)	(357,365.09)	(326,094.72)	(3,717,131.12)
40	ND ITC		(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(58,830.17)	(705,962.04)
41	ND ITC - Federal impact		20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	20,590.56	247,086.71
42	Total Income Tax Expense		(498,003.69)	(351,854.43)	(410,177.05)	(435,650.65)	(484,627.16)	(307,379.92)	(192,799.78)	(224,142.62)	(345,744.03)	(464,859.42)	(460,153.51)	(408,827.84)	(4,584,220.11)
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		40,010.63	146,956.89	136,000.27	89,814.67	15,839.16	193,086.49	307,666.63	276,323.69	179,722.28	60,606.90	40,312.81	91,638.47	1,577,978.89
47	Return on rate base		443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	443,542.52	5,322,510.26
48															
49	Total revenue requirements		483,553.15	590,499.42	579,542.79	533,357.19	459,381.68	636,629.01	751,209.15	719,866.21	623,264.80	504,149.42	483,855.33	535,180.99	6,900,489.14
50															
51	North Dakota share - E2 factor	41.018%	198,343.71	242,210.90	237,716.72	218,772.32	188,429.06	261,132.33	308,130.78	295,274.54	255,650.60	206,791.88	198,467.66	219,520.41	2,830,440.91

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

2008

2009

SUPPORTING INFORMATION / DATA

Line		Ratio	Cost	WA Cost													
1	MN Capstructure with allowed ROE per order.																
2	Capital Structure																
3	Debt	43.10%	6.30%	2.72%													
4	Preferred equity	3.60%	4.75%	0.17%													
5	Common equity	53.30%	11.25%	6.00%													
6	Total	100.00%		8.88%													
7																	
8																	
9	Federal Production Tax Credit																
10	Federal PTC Rate	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000	\$21.000			
11	Output (MWH) / month	-	-	-	-	-	-	-	-	-	-	-	-	0			
12	Federal PTC Available based on production	x	0	0	0	0	0	0	0	0	0	0	0	0			
13	Federal PTC Used on tax return		0	0	0	0	0	0	0	0	0	0	0	0			
14	Deferred		0	0	0	0	0	0	0	0	0	0	0	0			
15	Accumulated Deferred		0	0	0	0	0	0	0	0	0	0	0	0			
16																	
17	Deferred Tax																
18	Book depr. rate	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%	4.0000%			
19	Book depreciation	x	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	340,884.59	240,458.39	240,458.39	821,801.37			
20	Tax depreciation-ND		0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,825,965.63	10,825,965.63	10,825,965.63	10,825,965.63	43,303,862.51			
21	Tax depreciation-Federal	x	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,825,965.63	10,825,965.63	10,825,965.63	10,825,965.63	43,303,862.51			
22	Book vs. tax depreciation	x	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,825,965.63)	(10,485,081.04)	(10,585,507.24)	(10,585,507.24)	(42,482,061.15)			
23	Federal & State deferred income taxes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,239,448.14)	(4,105,957.74)	(4,145,284.63)	(4,145,284.63)	(16,635,975.15)			
24																	
25	Additional Tax Basis (permanent difference)										(15,091,052.00)	(15,091,052.00)	(15,091,052.00)	(15,091,052.00)			
26	Tax Impact-ND										(193,165.47)	(193,165.47)	(193,165.47)	(579,496.40)			
27	Tax Impact-Federal										(988,765.73)	(988,765.73)	(988,765.73)	(2,966,297.18)			
28	Total Tax Impact									0.00	(1,181,931.19)	(1,181,931.19)	(1,181,931.19)	(3,545,793.58)			
	PROOF				Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Year End 2009
1	Revenue		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	620,556.84	(191,704.16)	(241,862.46)	(331,621.23)	(144,631.01)
2																	
3	Expenses																
4	O/M and Book Depreciation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	353,522.43	303,364.13	253,121.20		910,007.76
5	Interest on Debt		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	143,880.25	143,880.25	143,880.25	143,880.25	575,521.00
6																	
7	Income Taxes																
8	Current Income Tax		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,056,329.90)	(3,916,516.03)	(3,955,842.93)	(3,971,317.34)	(15,900,006.20)
9	Deferred Income Tax		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,239,448.14	4,105,957.74	4,145,284.63	4,145,284.63	16,635,975.15
10	Permanent Tax Difference - 30% Grant		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,181,931.19)	(1,181,931.19)	(1,181,931.19)	(3,545,793.58)
11	Federal Production Tax Credit																
12	Generated PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Deferred PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	ND Investment Tax Credit																
15	Current ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	0.00	0.00	0.00	0.00
16	Deferred ITC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(33,236.25)	(23,411.95)	(23,411.95)	(33,331.90)	(113,392.04)
17	Total Expenses		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	293,762.24	(518,498.76)	(568,657.06)	(644,294.34)	(1,437,687.92)
18																	
19	Net Income before preferred dividend		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	326,794.60	326,794.60	326,794.60	312,673.11	1,293,056.91
20	Dividend on Preferred Stock		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9,061.07)	(9,061.07)	(9,061.07)	(9,061.07)	(36,244.28)
21																	
22	Income available for Common Stock		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	317,733.53	317,733.53	317,733.53	303,612.04	1,256,812.63
23																	
24	Average Rate Base		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,195,484.75	21,195,484.75	21,195,484.75	21,195,484.75	21,195,484.75
25	Equity Percent		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,824,298.34	2,824,298.34	2,824,298.34	2,824,298.34	11,297,193.37
26	Return on Equity Check		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	11.25%	11.25%	11.25%	10.75%	11.12%
27																	
28	Tax Calculation																
29	Income Before Income Taxes																
30	Net Income after prfd		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	317,733.53	317,733.53	317,733.53	303,612.04	1,256,812.63
31	Less Income Taxes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149,881.99	(1,015,901.44)	(1,015,901.44)	(1,041,295.79)	(2,923,216.67)
32	Total		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	467,615.52	(698,167.91)	(698,167.91)	(737,683.75)	(1,666,404.04)
33																	
34	Book Depreciation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	340,884.59	240,458.39	240,458.39	240,458.39	821,801.37
35	Tax Depreciation		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,825,965.63)	(10,825,965.63)	(10,825,965.63)	(10,825,965.63)	(43,303,862.51)
36	Tax Depreciation - Permanent Difference		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,181,931.19	1,181,931.19	1,181,931.19	3,545,793.58
37	Taxable income		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(10,358,350.11)	(10,001,317.76)	(10,101,743.95)	(10,141,259.80)	(40,602,671.62)
38	Current income tax		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(4,056,329.90)	(3,916,516.03)	(3,955,842.93)	(3,971,317.34)	(15,900,006.20)
39	Tie to RR calculation																
40	Total Tax		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.03	0.03	0.03	0.13
41	Income Requirement for Return		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.03)	(0.03)	(0.03)	(0.03)	(0.13)

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line	2009						2010						2010 YE Balance		
	Balance Dec-09	Actual Jan-10	Actual Feb-10	Actual Mar-10	Actual Apr-10	Actual May-10	Actual Jun-10	Actual Jul-10	Actual Aug-10	Actual Sep-10	Actual Oct-10	Actual Nov-10		Actual Dec-10	
1	RATE BASE														
2	Plant Balance - Luverne	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	102,355,208.19	101,990,226.13		
3	Less: Federal Grant	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)		
4	Accumulated Depreciation	(821,801.37)	(1,059,641.82)	(1,297,482.27)	(1,535,322.72)	(1,773,163.17)	(2,011,003.62)	(2,248,844.07)	(2,486,684.51)	(2,724,524.96)	(2,962,365.41)	(3,200,205.86)	(3,438,046.31)	(3,675,886.76)	
5	Net Plant in Service	71,351,302.82	71,113,462.37	70,875,621.92	70,637,781.47	70,399,941.02	70,162,100.57	69,924,260.12	69,686,419.68	69,448,579.23	69,210,738.78	68,972,898.33	68,735,057.88	68,132,235.37	
6	Inventory	0.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00	395,695.00		
7	Accum. Deferred Inc. Taxes - Fed & State	(16,635,975.15)	(16,908,193.05)	(17,180,410.96)	(17,452,628.87)	(17,724,846.78)	(17,997,064.68)	(18,269,282.59)	(18,541,500.50)	(18,813,718.41)	(19,085,936.32)	(19,358,154.22)	(19,630,372.13)	(19,902,590.04)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
10	Accum. Deferred Inc. Taxes - ND ITC	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,353,281.24	15,298,533.93		
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,373,648.43)	(5,354,486.87)		
12	Accum. Deferred Inc. Taxes - ND ITC	(15,178,831.95)	(15,127,552.11)	(15,076,272.27)	(15,024,992.43)	(14,973,712.59)	(14,922,432.75)	(14,871,152.91)	(14,819,873.07)	(14,768,593.23)	(14,717,313.39)	(14,666,033.55)	(14,614,753.71)	(14,508,918.66)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	5,312,591.18	5,294,643.24	5,276,695.29	5,258,747.35	5,240,799.40	5,222,851.46	5,204,903.52	5,186,955.57	5,169,007.63	5,151,059.68	5,133,111.74	5,115,163.80	5,078,121.52	
14	End of month rate base	54,828,719.71	54,747,688.24	54,270,961.78	53,794,235.32	53,317,508.86	52,840,782.40	52,364,055.94	51,887,329.47	51,410,603.01	50,933,876.55	50,457,150.09	49,980,423.63	49,138,590.24	
16	Average rate base	21,195,484.75	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	52,305,532.71	
17	Return on Rate Base		375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	4,506,670.85	
20	Available for return (equity portion of rate base)		249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	2,996,976.26	
22	EXPENSES														
23	O&M and Depreciation														
24	O & M Expense		96,253.69	90,899.86	127,018.79	105,884.63	97,788.08	94,822.45	95,411.47	93,524.08	77,888.68	36,949.55	17,258.38	23,276.51	956,976.17
25	Book Depreciation		237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	237,840.45	2,854,085.40	
26	Total O&M and Depreciation Expense	0	334,094.14	328,740.31	364,859.24	343,725.08	335,628.53	332,662.90	333,251.92	331,364.53	315,729.13	274,790.00	255,098.83	261,116.96	3,811,061.57
28	Income before Taxes														
29	Available for return (from above)		249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	249,748.02	2,996,976.26	
30	Less book tax credits - Federal PTC	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	Less book tax credits - ND ITC		(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(615,165.98)	
32	ND ITC - Federal impact		17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	215,308.10	
33	Adjusted Income before interest and taxes		216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	216,416.13	2,597,118.38	
34	Taxable Income (grossed up)	1.643655	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	355,713.45	4,268,766.61	
36	Income Taxes														
37	Current and Def Income Taxes	39.160%	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	139,297.39	1,671,649.00	
38	Tax Adjustment for Additional Tax Basis	32.760%	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(78,795.41)	(945,544.95)	
39	Federal PTC	6.400%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	ND ITC	x	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,279.84)	(51,087.74)	
41	ND ITC - Federal impact		17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	17,947.94	215,308.10	
42	Total Income Tax Expense		27,170.08	27,170.08	27,170.08	27,170.08	27,170.08	27,170.08	27,170.08	27,170.08	27,170.08	27,170.08	27,375.32	326,246.17	
45	REVENUE REQUIREMENTS														
46	Expenses		361,264.22	355,910.39	392,029.32	370,895.16	362,798.61	359,832.98	360,422.00	358,534.61	342,899.21	301,960.08	282,268.91	288,492.28	4,137,307.74
47	Return on rate base		375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	375,555.90	4,506,670.85	
49	Total revenue requirements		736,820.12	731,466.29	767,585.22	746,451.06	738,354.51	735,388.88	735,977.90	734,090.51	718,455.11	677,515.98	657,824.81	664,048.18	8,643,978.59
51	North Dakota share - E2 factor	41.018%	302,228.69	300,032.66	314,847.91	306,179.11	302,858.07	301,641.63	301,883.23	301,109.06	294,695.74	277,903.34	269,826.42	272,379.12	3,545,584.98

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line	2010						2011						2011 YE Balance		
	Balance Dec-10	Actual Jan-11	Actual Feb-11	Actual Mar-11	Actual Apr-11	Actual May-11	Actual Jun-11	Actual Jul-11	Actual Aug-11	Actual Sep-11	Actual Oct-11	Actual Nov-11		Actual Dec-11	
1	RATE BASE														
2	Plant Balance - Luverne	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	101,990,226.13	102,340,933.48	
3	Less: Federal Grant	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	
4	Accumulated Depreciation	(3,675,886.76)	(3,907,629.53)	(4,139,372.29)	(4,371,115.05)	(4,602,857.81)	(4,834,600.58)	(5,066,343.34)	(5,298,086.10)	(5,529,828.86)	(5,761,571.62)	(5,993,314.39)	(6,225,057.15)	(6,456,799.91)	
5	Net Plant in Service	68,132,235.37	67,900,492.60	67,668,749.84	67,437,007.08	67,205,264.32	66,973,521.55	66,741,778.79	66,510,036.03	66,278,293.27	66,046,550.51	65,814,807.74	65,583,064.98	65,702,029.57	
6	Inventory	395,695.00	395,695.00	395,695.00	385,527.82	385,527.82	405,411.71	405,411.71	405,411.71	394,803.56	394,803.56	394,803.56	394,803.56	370,160.25	
7	Accum. Deferred Inc. Taxes - Fed & State	(19,902,590.04)	(20,046,177.05)	(20,189,764.06)	(20,333,351.07)	(20,476,938.08)	(20,620,525.09)	(20,764,112.11)	(20,907,699.12)	(21,051,286.13)	(21,194,873.14)	(21,338,460.15)	(21,482,047.16)	(21,625,634.17)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	Accum. Deferred Inc. Taxes - ND ITC	15,298,533.93	15,298,533.93	15,298,533.93	15,298,533.93	15,298,533.93	15,298,533.93	13,106,805.93	13,106,805.93	13,106,805.93	13,106,805.93	13,106,805.93	13,106,805.93	13,159,412.03	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(5,354,486.87)	(5,354,486.87)	(5,354,486.87)	(5,354,486.87)	(5,354,486.87)	(5,354,486.87)	(4,587,382.07)	(4,587,382.07)	(4,587,382.07)	(4,587,382.07)	(4,587,382.07)	(4,587,382.07)	(4,605,794.21)	
12	Accum. Deferred Inc. Taxes - ND ITC	(14,508,918.66)	(14,457,830.92)	(14,406,743.18)	(14,355,655.44)	(14,304,567.70)	(14,253,479.96)	(12,018,519.87)	(11,975,287.78)	(11,932,055.69)	(11,888,823.60)	(11,845,591.51)	(11,802,359.42)	(11,811,540.73)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	5,078,121.52	5,060,240.81	5,042,360.09	5,024,479.38	5,006,598.67	4,988,717.95	4,206,481.92	4,191,350.69	4,176,219.46	4,161,088.23	4,145,957.00	4,130,825.77	4,134,039.24	
14	End of month rate base	49,138,590.24	48,796,467.49	48,454,344.74	48,102,054.81	47,759,932.07	47,437,693.21	47,090,464.30	46,743,235.38	46,385,398.32	46,038,169.41	45,690,940.49	45,343,711.58	45,322,671.97	
15															
16	Average rate base	52,305,532.71	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	47,100,282.62	
17															
18	Return on Rate Base		338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	4,058,183.90	
19															
20	Available for return (equity portion of rate base)		224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	2,698,728.44	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		74,871.27	141,864.48	122,430.54	81,381.05	138,891.96	151,912.20	106,449.68	53,262.50	49,698.06	22,007.51	106,268.07	132,015.30	1,181,052.62
25	Book Depreciation	0	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	231,742.76	2,780,913.15	
26	Total O&M and Depreciation Expense	0	306,614.03	373,607.24	354,173.30	313,123.81	370,634.72	383,654.96	338,192.44	285,005.26	281,440.82	253,750.27	338,010.83	3,637,965.77	
27															
28	Income before Taxes														
29	Available for return (from above)		224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	224,894.04	2,698,728.44	
30	Less book tax credits - Federal PTC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	Less book tax credits - ND ITC		(51,087.74)	(51,087.74)	(51,087.74)	(51,087.74)	(51,087.74)	(43,232.09)	(43,232.09)	(43,232.09)	(43,232.09)	(43,232.09)	(43,232.09)	(558,256.03)	
32	ND ITC - Federal impact		17,880.71	17,880.71	17,880.71	17,880.71	17,880.71	15,131.23	15,131.23	15,131.23	15,131.23	15,131.23	15,131.23	15,198.67	
33	Adjusted Income before interest and taxes		191,687.01	191,687.01	191,687.01	191,687.01	191,687.01	196,793.18	196,793.18	196,793.18	196,793.18	196,793.18	196,793.18	2,335,862.03	
34	Taxable Income (grossed up)	1.621994	310,915.18	310,915.18	310,915.18	310,915.18	310,915.18	319,197.35	319,197.35	319,197.35	319,197.35	319,197.35	319,197.35	3,788,754.20	
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	119,229.75	119,229.75	119,229.75	119,229.75	119,229.75	122,405.80	122,405.80	122,405.80	122,405.80	122,405.80	122,405.80	1,452,911.46	
38	Tax Adjustment for Additional Tax Basis	33.198%	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(46,296.93)	(555,563.20)	
39	Federal PTC	5.150%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	ND ITC	x	(51,087.74)	(51,087.74)	(51,087.74)	(51,087.74)	(51,087.74)	(43,232.09)	(43,232.09)	(43,232.09)	(43,232.09)	(43,232.09)	(43,232.09)	(558,256.03)	
41	ND ITC - Federal impact		17,880.71	17,880.71	17,880.71	17,880.71	17,880.71	15,131.23	15,131.23	15,131.23	15,131.23	15,131.23	15,131.23	15,198.67	
42	Total Income Tax Expense		39,725.79	39,725.79	39,725.79	39,725.79	39,725.79	48,008.01	48,008.01	48,008.01	48,008.01	48,008.01	48,008.01	534,481.86	
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		346,339.83	413,333.04	393,899.10	352,849.61	410,360.52	431,662.97	386,200.45	333,013.27	329,448.83	301,758.28	386,018.84	4,496,447.62	
47	Return on rate base		338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	338,181.99	4,058,183.90	
48															
49	Total revenue requirements		684,521.82	751,515.03	732,081.09	691,031.60	748,542.51	769,844.96	724,382.44	671,195.26	667,630.82	639,940.27	724,200.83	8,554,631.52	
50															
51	North Dakota share - E2 factor	41.018%	280,776.99	308,256.25	300,284.84	283,447.17	307,036.98	315,774.81	297,127.01	275,310.70	273,848.64	262,490.54	297,052.52	3,508,936.62	

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line	2011						2012						2012 YE Balance	
	Balance Dec-11	Actual Jan-12	Actual Feb-12	Actual Mar-12	Actual Apr-12	Actual May-12	Actual Jun-12	Actual Jul-12	Actual Aug-12	Actual Sep-12	Actual Oct-12	Actual Nov-12		Actual Dec-12
1	RATE BASE													
2	Plant Balance - Luverne	102,340,933.48	102,340,933.48	102,340,933.48	102,340,933.48	102,340,933.48	102,340,933.48	102,342,882.21	102,342,882.21	102,342,882.21	102,342,882.21	102,453,727.70	102,453,727.70	102,483,309.40
3	Less: Federal Grant	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)
4	Accumulated Depreciation	(6,456,799.91)	(6,689,788.31)	(6,922,776.71)	(7,155,765.11)	(7,388,753.51)	(7,621,741.91)	(7,854,730.31)	(8,087,725.00)	(8,320,719.69)	(8,553,714.38)	(8,786,709.07)	(9,020,061.68)	(9,253,414.28)
5	Net Plant in Service	65,702,029.57	65,469,041.17	65,236,052.77	65,003,064.37	64,770,075.97	64,537,087.57	64,306,047.90	64,073,053.21	63,840,058.52	63,607,063.83	63,484,914.63	63,251,562.02	63,047,791.12
6	Inventory	370,160.25	370,160.25	390,896.62	418,564.93	418,564.93	395,177.40	347,575.97	340,935.84	329,925.73	0.00	0.00	0.00	0.00
7	Accum. Deferred Inc. Taxes - Fed & State	(21,625,634.17)	(21,675,485.10)	(21,725,336.03)	(21,775,186.97)	(21,825,037.90)	(21,874,888.83)	(21,924,739.76)	(21,974,588.28)	(22,024,436.80)	(22,074,285.32)	(22,124,133.83)	(22,173,845.10)	(22,223,556.37)
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Accum. Deferred Inc. Taxes - ND ITC	13,159,412.03	13,159,412.03	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(4,605,794.21)	(4,605,794.21)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)
12	Accum. Deferred Inc. Taxes - ND ITC	(11,811,540.73)	(11,768,115.94)	(11,726,824.43)	(11,683,391.74)	(11,639,959.05)	(11,596,526.36)	(11,553,093.67)	(11,509,660.98)	(11,466,228.29)	(11,422,795.60)	(11,379,362.91)	(11,335,930.22)	(11,292,497.53)
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	4,134,039.24	4,118,840.57	4,104,388.54	4,089,187.10	4,073,985.66	4,058,784.22	4,043,582.78	4,028,381.34	4,013,179.90	3,997,978.46	3,982,777.02	3,967,575.58	3,952,374.14
14	End of month rate base	45,322,671.97	45,068,058.76	44,834,187.05	44,607,247.27	44,352,639.19	44,074,643.58	43,774,382.80	43,513,130.71	43,247,508.64	42,982,970.95	42,719,204.48	42,456,371.86	42,185,120.94
15														
16	Average rate base	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79	43,713,856.79
17														
18	Return on Rate Base	4,058,183.90	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31	3,138,673.31
19														
20	Available for return (equity portion of rate base)	2,698,728.44	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56
21														
22	EXPENSES													
23	O&M and Depreciation													
24	O & M Expense		82,363.53	85,119.34	83,438.32	81,810.10	119,301.32	159,538.64	117,893.91	95,031.61	421,867.66	100,290.08	97,998.62	69,916.84
25	Book Depreciation	0	232,988.40	232,988.40	232,988.40	232,988.40	232,988.40	232,988.40	232,994.69	232,994.69	232,994.69	232,994.69	233,352.61	233,352.61
26	Total O&M and Depreciation Expense	0	315,351.93	318,107.74	316,426.72	314,798.50	352,289.72	392,527.04	350,888.60	328,026.30	654,862.35	333,284.77	331,351.23	303,269.45
27														
28	Income before Taxes													
29	Available for return (from above)		2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56	2,087,245.56
30	Less book tax credits - Federal PTC	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Less book tax credits - ND ITC		(43,424.79)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)
32	ND ITC - Federal impact		15,198.67	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44
33	Adjusted Income before interest and taxes		180,498.44	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31	180,493.31
34	Taxable Income (grossed up)	1.621994	292,767.39	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06	292,759.06
35														
36	Income Taxes													
37	Current and Def Income Taxes	38.348%	112,270.44	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25	112,267.25
38	Tax Adjustment for Additional Tax Basis	33.198%	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)
39	Federal PTC	5.150%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	ND ITC	x	(43,424.79)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)
41	ND ITC - Federal impact		15,198.67	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44	15,201.44
42	Total Income Tax Expense		56,266.16	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84	56,257.84
43														
44														
45	REVENUE REQUIREMENTS													
46	Expenses		371,618.09	374,365.58	372,684.56	371,056.34	408,547.56	448,784.88	407,146.44	384,284.14	711,120.19	389,542.61	387,609.07	359,527.29
47	Return on rate base		313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31	313,867.31
48														
49	Total revenue requirements		685,485.40	688,232.89	686,551.87	684,923.65	722,414.87	762,652.19	721,013.75	698,151.45	1,024,987.50	703,409.92	701,476.38	673,394.60
50														
51	North Dakota share - E2 factor	41.018%	281,172.23	282,299.19	281,609.67	280,941.81	296,319.95	312,824.48	295,745.24	286,367.59	420,429.12	288,524.51	287,731.41	276,212.83

3,590,178.03

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line	2012						2013						2013 YE Balance		
	Balance Dec-12	Actual Jan-13	Actual Feb-13	Actual Mar-13	Actual Apr-13	Actual May-13	Actual Jun-13	Actual Jul-13	Actual Aug-13	Actual Sep-13	Actual Oct-13	Actual Nov-13		Actual Dec-13	
1	RATE BASE														
2	Plant Balance - Luverne	102,483,309.40	102,483,309.40	102,483,309.40	102,483,309.40	102,483,309.40	102,483,309.40	102,660,397.46	102,672,477.11	102,672,477.11	102,672,477.11	102,696,695.53	102,696,695.53	102,701,899.98	
3	Less: Federal Grant	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	
4	Accumulated Depreciation	(9,253,414.28)	(9,487,632.25)	(9,721,850.22)	(9,956,068.19)	(10,190,286.16)	(10,424,504.13)	(10,658,722.10)	(10,893,513.92)	(11,128,344.77)	(11,363,175.62)	(11,598,006.47)	(11,832,915.80)	(12,067,825.13)	
5	Net Plant in Service	63,047,791.12	62,813,573.15	62,579,355.18	62,345,137.21	62,110,919.24	61,876,701.27	61,819,571.36	61,596,859.19	61,362,028.34	61,127,197.49	60,916,585.06	60,681,675.73	60,451,970.85	
6	Inventory	0.00	0.00	0.00	459.17	5,408.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7	Accum. Deferred Inc. Taxes - Fed & State	(22,223,556.37)	(22,268,198.04)	(22,312,839.71)	(22,357,481.38)	(22,402,123.05)	(22,446,764.72)	(22,491,406.39)	(22,535,828.00)	(22,580,234.64)	(22,624,641.28)	(22,669,047.92)	(22,713,424.47)	(22,757,801.02)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	Accum. Deferred Inc. Taxes - ND ITC	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	13,161,553.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(4,606,543.62)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	
12	Accum. Deferred Inc. Taxes - ND ITC	(11,292,497.53)	(11,249,064.84)	(11,205,632.15)	(11,162,199.46)	(11,118,766.77)	(13,258,500.65)	(13,206,506.53)	(13,154,512.41)	(13,102,518.29)	(13,050,524.17)	(12,998,530.05)	(12,946,535.93)	(12,894,541.81)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	3,952,374.14	3,937,172.70	3,921,971.26	3,906,769.82	3,891,568.38	4,640,475.24	4,622,277.30	4,604,079.36	4,585,881.41	4,567,683.47	4,549,485.53	4,531,287.59	4,513,089.65	
14	End of month rate base	42,039,120.94	41,788,492.56	41,537,864.17	41,287,694.95	41,042,016.20	40,791,543.93	40,723,568.52	40,490,230.92	40,244,789.61	39,999,348.29	39,778,125.40	39,532,635.70	39,292,350.45	
15															
16	Average rate base	43,713,856.79	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	40,657,521.66	
17															
18	Return on Rate Base	3,766,407.76	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	
19															
20	Available for return (equity portion of rate base)	2,504,694.71	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		83,360.53	85,913.68	84,842.14	87,565.56	90,152.00	113,459.41	87,207.65	83,220.92	82,426.29	92,231.35	103,064.80	30,388.09	1,023,832.42
25	Book Depreciation	0	234,217.97	234,217.97	234,217.97	234,217.97	234,217.97	234,217.97	234,791.82	234,830.85	234,830.85	234,830.85	234,909.33	234,909.33	2,814,410.85
26	Total O&M and Depreciation Expense	0	317,578.50	320,131.65	319,060.11	321,783.53	324,369.97	347,677.38	321,999.47	318,051.77	317,257.14	327,062.20	337,974.13	265,297.42	3,838,243.27
27															
28	Income before Taxes														
29	Available for return (from above)		194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	194,131.20	
30	Less book tax credits - Federal PTC	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	Less book tax credits - ND ITC		(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	
32	ND ITC - Federal impact		15,201.44	15,201.44	15,201.44	15,201.44	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	
33	Adjusted Income before interest and taxes		165,899.95	165,899.95	165,899.95	165,899.95	160,335.02	160,335.02	160,335.02	160,335.02	160,335.02	160,335.02	160,335.02	160,335.02	
34	Taxable Income (grossed up)	1.621994	269,088.72	269,088.72	269,088.72	269,088.72	260,062.44	260,062.44	260,062.44	260,062.44	260,062.44	260,062.44	260,062.44	260,062.44	
35															
36	Income Taxes														
37	Current and Def Income Taxes	38.348%	103,190.14	103,190.14	103,190.14	103,190.14	99,728.74	99,728.74	99,728.74	99,728.74	99,728.74	99,728.74	99,728.74	99,728.74	
38	Tax Adjustment for Additional Tax Basis	33.198%	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	(27,778.16)	
39	Federal PTC	5.150%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	ND ITC	x	(43,432.69)	(43,432.69)	(43,432.69)	(43,432.69)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	
41	ND ITC - Federal impact		15,201.44	15,201.44	15,201.44	15,201.44	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	
42	Total Income Tax Expense		47,180.73	47,180.73	47,180.73	47,180.73	38,154.41	38,154.41	38,154.41	38,154.41	38,154.41	38,154.41	38,154.41	38,154.41	
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		364,759.23	367,312.38	366,240.84	368,964.26	362,524.38	385,831.79	360,153.88	356,206.18	355,411.55	365,216.61	376,128.54	303,451.83	4,332,201.44
47	Return on rate base		291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	291,922.70	
48															
49	Total revenue requirements		656,681.93	659,235.08	658,163.54	660,886.96	654,447.08	677,754.49	652,076.58	648,128.88	647,334.25	657,139.31	668,051.24	595,374.53	7,835,273.83
50															
51	North Dakota share - E2 factor	41.018%	269,357.63	270,404.88	269,965.36	271,082.45	268,440.94	278,001.17	267,468.61	265,849.34	265,523.40	269,545.24	274,021.09	244,210.57	3,213,870.66

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line	2013					2014					Projected Nov-14	Projected Dec-14	2014 YE Balance		
	Balance Dec-13	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14	Actual Jul-14	Actual Aug-14	Actual Sep-14				Actual Oct-14	
1	RATE BASE														
2	Plant Balance - Luverne	102,701,899.98	102,701,899.98	102,701,899.98	102,701,899.98	102,775,060.67	102,775,060.65	102,775,060.65	102,775,060.65	102,775,060.65	102,775,060.65	102,775,060.65	102,852,035.21		
3	Less: Federal Grant	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)		
4	Accumulated Depreciation	(12,067,825.13)	(12,316,114.78)	(12,564,404.43)	(12,812,694.08)	(13,060,983.73)	(13,309,523.87)	(13,558,064.00)	(13,806,604.14)	(14,055,144.27)	(14,303,684.41)	(14,552,224.54)	(14,800,764.68)	(15,049,304.81)	
5	Net Plant in Service	60,451,970.85	60,203,681.20	59,955,391.55	59,707,101.90	59,531,972.94	59,283,432.78	59,034,892.65	58,786,352.51	58,537,812.38	58,289,272.24	58,040,732.11	57,792,191.97	57,620,626.40	
6	Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7	Accum. Deferred Inc. Taxes - Fed & State	(22,757,801.02)	(22,730,404.06)	(22,703,007.11)	(22,675,610.16)	(22,648,213.21)	(22,620,718.39)	(22,593,223.56)	(22,565,728.73)	(22,538,233.91)	(22,510,739.08)	(22,483,244.25)	(22,455,749.43)	(22,428,254.60)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	Accum. Deferred Inc. Taxes - ND ITC	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	
12	Accum. Deferred Inc. Taxes - ND ITC	(12,894,541.81)	(12,842,547.69)	(12,790,553.57)	(12,738,559.45)	(12,686,565.33)	(12,634,571.21)	(12,582,577.09)	(12,530,582.97)	(12,478,588.85)	(12,426,594.73)	(12,374,600.61)	(12,322,606.49)	(12,270,612.37)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	4,513,089.65	4,494,891.70	4,476,693.76	4,458,495.82	4,440,297.88	4,422,099.93	4,403,901.99	4,385,704.05	4,367,506.11	4,349,308.17	4,331,110.22	4,312,912.28	4,294,714.34	
14	End of month rate base	39,292,350.45	39,105,253.93	38,918,157.41	38,731,060.89	38,617,125.05	38,429,875.90	38,242,626.77	38,055,377.64	37,868,128.51	37,680,879.38	37,493,630.25	37,306,381.12	37,196,106.55	
15															
16	Average rate base	40,657,521.66	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	38,225,919.53	
17															
18	Return on Rate Base	3,503,072.40	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	3,293,564.34	
19															
20	Available for return (equity portion of rate base)	2,329,574.35	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	2,190,249.62	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		91,328.27	90,688.62	107,596.40	188,398.10	150,060.56	87,113.15	125,716.30	84,863.26	74,047.22	109,265.91	106,999.92	96,720.92	1,312,798.62
25	Book Depreciation	0	248,289.65	248,289.65	248,289.65	248,289.65	248,540.14	248,540.14	248,540.14	248,540.14	248,540.14	248,540.14	248,540.14	2,981,479.69	
26	Total O&M and Depreciation Expense	0	339,617.92	338,978.27	355,886.05	436,687.75	398,600.70	335,653.29	374,256.44	333,403.40	322,587.36	357,806.05	355,540.05	345,261.05	4,294,278.31
27															
28	Income before Taxes														
29	Available for return (from above)		182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	182,520.80	2,190,249.62	
30	Less book tax credits - Federal PTC	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	Less book tax credits - ND ITC		(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(623,929.44)	
32	ND ITC - Federal impact		18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	218,375.30	
33	Adjusted Income before interest and taxes		148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	148,724.62	1,784,695.49	
34	Taxable Income (grossed up)	1.641352	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	244,109.39	2,929,312.71	
35															
36	Income Taxes														
37	Current and Def Income Taxes	39.075%	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	95,384.77	1,144,617.23	
38	Tax Adjustment for Additional Tax Basis	32.806%	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(14,152.21)	(169,826.49)	
39	Federal PTC	6.269%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	ND ITC	x	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(623,929.44)	
41	ND ITC - Federal impact		18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	218,375.30	
42	Total Income Tax Expense		47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	47,436.38	569,236.60	
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		387,054.30	386,414.65	403,322.43	484,124.13	446,037.08	383,089.67	421,692.82	380,839.78	370,023.74	405,242.43	402,976.44	392,697.44	4,863,514.91
47	Return on rate base		274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	274,463.69	3,293,564.34	
48															
49	Total revenue requirements		661,518.00	660,878.35	677,786.13	758,587.83	720,500.77	657,553.36	696,156.51	655,303.47	644,487.43	679,706.12	677,440.13	667,161.13	8,157,079.25
50															
51	North Dakota share - E2 factor	41.018%	271,341.29	271,078.92	278,014.15	311,157.37	295,534.83	269,715.07	285,549.30	268,792.21	264,355.69	278,801.69	277,872.22	273,655.99	3,345,868.73

Otter Tail Power Company
North Dakota Renewable Resource Rider
Luverne Wind Farm

Line	2014							2015							2015 YE Balance
	Balance Dec-14	Projected Jan-15	Projected Feb-15	Projected Mar-15	Projected Apr-15	Projected May-15	Projected Jun-15	Projected Jul-15	Projected Aug-15	Projected Sep-15	Projected Oct-15	Projected Nov-15	Projected Dec-15		
1	RATE BASE														
2	Plant Balance - Luverne	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	102,852,035.21	
3	Less: Federal Grant	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	(30,182,104.00)	
4	Accumulated Depreciation	(15,049,304.81)	(15,298,108.49)	(15,546,912.17)	(15,795,715.85)	(16,044,519.52)	(16,293,323.20)	(16,542,126.88)	(16,790,930.55)	(17,039,734.23)	(17,288,537.91)	(17,537,341.58)	(17,786,145.26)	(18,034,948.94)	
5	Net Plant in Service	57,620,626.40	57,371,822.72	57,123,019.04	56,874,215.37	56,625,411.69	56,376,608.01	56,127,804.34	55,879,000.66	55,630,196.98	55,381,393.30	55,132,589.63	54,883,785.95	54,634,982.27	
6	Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7	Accum. Deferred Inc. Taxes - Fed & State	(22,428,254.60)	(22,333,296.85)	(22,238,339.10)	(22,143,381.35)	(22,048,423.59)	(21,953,465.84)	(21,858,508.09)	(21,763,550.34)	(21,668,592.59)	(21,573,634.84)	(21,478,677.09)	(21,383,719.33)	(21,288,761.58)	
8	Accum. Deferred Inc. Taxes - Basis Difference	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Accum. Deferred Inc. Taxes - Federal PTC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10	Accum. Deferred Inc. Taxes - ND ITC	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	15,353,281.21	
11	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	(5,373,648.42)	
12	Accum. Deferred Inc. Taxes - ND ITC	(12,270,612.37)	(12,218,618.25)	(12,166,624.13)	(12,114,630.01)	(12,062,635.89)	(12,010,641.77)	(11,958,647.65)	(11,906,653.53)	(11,854,659.41)	(11,802,665.29)	(11,750,671.17)	(11,698,677.05)	(11,646,682.93)	
13	Accum. Deferred Inc. Taxes - Fed. portion of ND ITC	4,294,714.34	4,276,516.40	4,258,318.46	4,240,120.51	4,221,922.57	4,203,724.63	4,185,526.69	4,167,328.75	4,149,130.80	4,130,932.86	4,112,734.92	4,094,536.98	4,076,339.04	
14	End of month rate base	37,196,106.55	37,076,056.80	36,956,007.05	36,835,957.30	36,715,907.56	36,595,857.81	36,475,808.06	36,355,758.31	36,235,708.57	36,115,658.82	35,995,609.07	35,875,559.32	35,755,509.58	
15															
16	Average rate base	38,225,919.53	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	36,475,808.06	
17															
18	Return on Rate Base	3,293,564.34	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	
19															
20	Available for return (equity portion of rate base)	2,190,249.62	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	
21															
22	EXPENSES														
23	<i>O&M and Depreciation</i>														
24	O & M Expense		132,328.63	91,502.90	91,679.83	117,644.48	70,876.06	91,851.97	91,852.11	91,852.11	116,852.11	116,852.11	91,852.11	91,852.11	1,196,996.55
25	Book Depreciation	0	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	248,803.68	2,985,644.12
26	Total O&M and Depreciation Expense	0	381,132.31	340,306.58	340,483.50	366,448.16	319,679.74	340,655.65	340,655.79	340,655.79	365,655.79	365,655.79	340,655.79	340,655.79	4,182,640.68
27															
28	Income before Taxes														
29	Available for return (from above)		174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	174,164.38	
30	Less book tax credits - Federal PTC	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
31	Less book tax credits - ND ITC		(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	
32	ND ITC - Federal impact		18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	
33	Adjusted Income before interest and taxes		140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	140,368.21	
34	Taxable Income (grossed up)	1,641,352	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	230,393.57	
35															
36	Income Taxes														
37	Current and Def Income Taxes	39.075%	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	90,025.37	
38	Tax Adjustment for Additional Tax Basis	32.806%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
39	Federal PTC	6.269%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
40	ND ITC		(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	(51,994.12)	
41	ND ITC - Federal impact		18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	18,197.94	
42	Total Income Tax Expense		56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	56,229.19	
43															
44															
45	REVENUE REQUIREMENTS														
46	Expenses		437,361.49	396,535.77	396,712.69	422,677.35	375,908.93	396,884.84	396,884.98	396,884.98	421,884.98	421,884.98	396,884.98	396,884.98	
47	Return on rate base		261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	261,897.82	
48															
49	Total revenue requirements		699,259.32	658,433.59	658,610.52	684,575.17	637,806.75	658,782.66	658,782.80	658,782.80	683,782.80	683,782.80	658,782.80	658,782.80	
50															
51	North Dakota share - E2 factor	41.018%	286,822.01	270,076.12	270,148.70	280,798.87	261,615.41	270,219.31	270,219.36	270,219.36	280,473.86	280,473.86	270,219.36	270,219.36	

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

Line	2014											Forecast Nov-14	Forecast Dec-14	2014 YE Balance
	Actual Jan-14	Actual Feb-14	Actual Mar-14	Actual Apr-14	Actual May-14	Actual Jun-14	Actual Jul-14	Actual Aug-14	Actual Sep-14	Actual Oct-14	Actual Nov-14			
1	TRACKER SUMMARY													
2	Requirements Compared to Billed:													
3	Revenue Requirements													
4	Langdon	71,948.14	90,851.65	88,451.76	84,995.30	143,747.07	125,605.18	150,203.83	193,428.70	132,990.37	35,855.86	102,817.40	115,928.28	1,336,823.54
5	Ashtabula	185,874.36	213,836.68	232,239.10	260,614.57	277,587.67	301,931.50	322,620.03	397,213.53	282,404.08	203,171.65	252,499.39	272,810.86	3,202,803.42
6	Luverne	271,341.29	271,078.92	278,014.15	311,157.37	295,534.83	269,715.07	285,549.30	268,792.21	264,355.69	278,801.69	277,872.22	273,655.99	3,345,868.73
7	Total	529,163.78	575,767.24	598,705.01	656,767.24	716,869.57	697,251.75	758,373.16	859,434.44	679,750.15	517,829.20	633,189.02	662,395.12	7,885,495.68
8														
9														
10	Billed (forecast kWh x adj factor)	1,173,495.19	1,096,022.90	983,272.08	767,321.60	632,328.21	566,575.77	559,691.08	565,839.75	579,123.48	580,202.43	681,977.39	779,482.16	8,965,332.04
11	Renewable Energy Certificate Sales		103,345.95						138,211.73					241,557.68
12	Monthly Revenue Difference	(641,388.54)	(625,266.04)	(390,723.00)	(119,516.99)	74,720.21	121,391.56	190,269.67	148,337.31	94,646.58	(67,673.44)	(54,574.71)	(123,265.40)	
13	Cummulative Difference	(231,708.06)	(856,974.10)	(1,247,697.10)	(1,367,214.09)	(1,292,493.88)	(1,171,102.32)	(980,832.65)	(832,495.34)	(737,848.77)	(805,522.21)	(860,096.92)	(983,362.31)	
14	Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
15	Amortization of Deferred 2008 True-up	7,026.17	7,026.17	7,026.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
16	Carrying Cost Adj. for rate calculation	0.00	0.00	(13,122.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
17	Adjusted Cumulative Difference	(241,600.11)	(859,839.99)	(1,256,659.73)	(1,376,176.71)	(1,301,456.50)	(1,180,064.94)	(989,795.28)	(841,457.97)	(746,811.39)	(814,484.83)	(869,059.54)	(992,324.94)	
18														
19														
20	Carrying Charge Calculation	(1,664.44)	(6,155.93)	(8,962.62)	(9,821.15)	(9,284.41)	(8,412.42)	(7,045.65)	(5,980.09)	(5,300.21)	(5,786.33)	(6,178.36)	(7,063.82)	
21	Cumulative Carrying Charge	651,023.74	644,867.81	635,905.18	626,084.03	616,799.61	608,387.19	601,341.55	595,361.45	590,061.24	584,274.91	578,096.54	571,032.72	
22	Prime Rate	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	
23	Monthly Rate	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	
24														
25	Life-to-Date Revenue Requirement	(233,372.49)	(863,130.03)	(1,256,659.73)	(1,377,035.24)	(1,301,778.29)	(1,179,514.74)	(987,878.30)	(838,475.43)	(743,148.98)	(811,308.54)	(866,275.28)	(990,426.13)	(0.00)
26														
27	Forecasted Sales (mWh)											155,893	178,181	334,074
28														
29	REGULATORY ASSET													
30	Reg Asset Account 1822.1001 should be	(233,372.49)	(863,130.03)	(1,256,659.73)	(1,377,035.24)	(1,301,778.29)	(1,179,514.74)	(987,878.30)	(838,475.43)	(743,148.98)	(811,308.54)	(866,275.28)	(990,426.13)	
31														
32	Reg Asset Account 1821.1001 & 1822.1001 balanc	501,239.65	(915,487.19)	(915,487.19)	(1,316,938.51)	(1,453,711.70)	(1,383,292.39)	(1,269,349.42)	(987,411.06)	(827,666.42)	(732,636.02)	(811,308.54)	(866,275.28)	
33														
34	Difference - To be booked to Reg Asset	(734,612.14)	52,357.16	(341,172.53)	(60,096.73)	151,933.41	203,777.65	281,471.12	148,935.63	84,517.44	(78,672.52)	(54,966.74)	(124,150.85)	
35														
36														
37														
38														
39														
40														
41														
42														
43														
44														
45														

Rate Calculation - Effective April 2014 - Approved March 12, 2014	
Revenue Requirements April 2014 thru March 2015	8,213,716.13
Carrying Charge (April 2014 thru Mar 2015)	45,161.55
Cummulative True-up (As of March 2014, line 25)	(191,211.07)
Deferral of Jan 2008 thru Mar 2009 costs	(337,256.00)
Amortization of Deferral	337,256.00
Total Requirements	8,067,666.61
Projected Sales in mWh April 2014 thru Mar 2015	1,844,180
New Rate	\$0.00437

Otter Tail Power Company
Renewable Rider Annual Filing
North Dakota

Line	2015												2015 YE Balance	
	Forecast Jan-15	Forecast Feb-15	Forecast Mar-15	Forecast Apr-15	Forecast May-15	Forecast Jun-15	Forecast Jul-15	Forecast Aug-15	Forecast Sep-15	Forecast Oct-15	Forecast Nov-15	Forecast Dec-15		
1	TRACKER SUMMARY													
2	Requirements Compared to Billed:													
3	Revenue Requirements													
4	Langdon	74,496.35	103,764.60	130,144.65	93,772.24	81,841.75	132,537.66	163,460.53	152,979.68	103,455.25	74,604.89	76,001.27	90,138.47	1,277,197.33
5	Ashtabula	198,343.71	242,210.90	237,716.72	218,772.32	188,429.06	261,132.33	308,130.78	295,274.54	255,650.60	206,791.88	198,467.66	219,520.41	2,830,440.91
6	Luverne	286,822.01	270,076.12	270,148.70	280,798.87	261,615.41	270,219.31	270,219.36	270,219.36	280,473.86	280,473.86	270,219.36	270,219.36	3,281,505.60
7	Total	559,662.07	616,051.63	638,010.06	593,343.43	531,886.22	663,889.29	741,810.68	718,473.59	639,579.71	561,870.63	544,688.29	579,878.24	7,389,143.84
8														
9		Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	2015 YE
10	Billed (forecast kWh x adj factor)	893,409.71	886,010.16	790,769.14	475,670.18	395,406.75	369,826.31	381,246.26	392,251.12	393,058.70	377,729.24	450,827.19	515,015.09	6,321,219.85
11	Renewable Energy Certificate Sales													
12	Monthly Revenue Difference	(340,811.46)	(279,470.51)	(164,278.59)	104,973.66	124,533.95	283,012.04	351,546.44	319,729.76	242,325.03	181,686.11	92,710.93	64,378.96	
13	Cumulative Difference	(1,324,173.77)	(1,603,644.28)	(1,767,922.87)	(1,662,949.20)	(1,538,415.25)	(1,255,403.21)	(903,856.78)	(584,127.02)	(341,801.98)	(160,115.87)	(67,404.94)	(3,025.98)	
14	Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Amortization of Deferred 2008 True-up	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Carrying Cost Adj. for rate calculation	0.00	0.00	(3,736.96)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Adjusted Cumulative Difference	(1,333,136.40)	(1,612,606.91)	(1,780,622.45)	(1,675,648.78)	(1,551,114.83)	(1,268,102.79)	(916,556.35)	(596,826.60)	(354,501.56)	(172,815.45)	(80,104.52)	(15,725.56)	
18														
19														
20	Carrying Charge Calculation	(9,511.98)	(11,519.51)	(12,699.58)	(11,945.52)	(11,050.95)	(9,017.98)	(6,492.70)	(4,195.98)	(2,455.28)	(1,150.17)	(484.19)	(21.74)	
21	Cumulative Carrying Charge	561,520.74	550,001.23	537,301.65	525,356.13	514,305.18	505,287.20	498,794.50	494,598.52	492,143.24	490,993.08	490,508.89	490,487.15	
22	Prime Rate	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	8.62%	
23	Monthly Rate	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	0.71833%	
24														
25	Life-to-Date Revenue Requirement	(1,333,685.75)	(1,615,163.79)	(1,780,622.45)	(1,674,894.72)	(1,549,466.20)	(1,264,421.19)	(910,349.48)	(588,323.00)	(344,257.26)	(161,266.04)	(67,889.13)	(3,047.72)	241,557.68
26														
27	Forecasted Sales (mWh)	204,224	202,532	180,761	165,754	137,785	128,871	132,850	136,685	136,966	131,625	157,097	179,464	1,894,613
28														
29	REGULATORY ASSET													
30	Reg Asset Account 1822.1001 should be	(1,333,685.75)	(1,615,163.79)	(1,780,622.45)	(1,674,894.72)	(1,549,466.20)	(1,264,421.19)	(910,349.48)	(588,323.00)	(344,257.26)	(161,266.04)	(67,889.13)	(3,047.72)	
31														
32	Reg Asset Account 1821.1001 & 1822.1001 balanc	(990,426.13)	(1,333,685.75)	(1,615,163.79)	(1,780,622.45)	(1,674,894.72)	(1,549,466.20)	(1,264,421.19)	(910,349.48)	(588,323.00)	(344,257.26)	(161,266.04)	(67,889.13)	
33														
34	Difference - To be booked to Reg Asset	(343,259.62)	(281,478.04)	(165,458.65)	105,727.72	125,428.52	285,045.01	354,071.71	322,026.48	244,065.73	182,991.22	93,376.91	64,841.41	

Rate Calculation - Effective April 2015	
Revenue Requirements April 2015 thru March 2016	7,269,677.62
Carrying Charge (April 2015 thru Mar 2016)	(47,876.76)
Cumulative True-up (As of March 2015, line 25)	(1,780,622.45)
Deferral of Jan 2008 thru Mar 2009 costs	(337,256.00)
Amortization of Deferral	337,256.00
Total Requirements	5,441,178.42
Projected Sales in mWh April 2015 thru Mar 2016	1,896,050
New Rate	\$0.00287

Otter Tail Power Company
Renewable Resource Rider - North Dakota
Rider Rate Design Alternatives

North Dakota revenue requirements **\$5,441,178**

Alternative #1	Billing kWh**	Rate per kWh	Total Revenue
All classes	1,896,050,267	\$0.00287	\$5,441,178

Alternative #2 - Current							
Class factors	Weighting	LGS		All others		Total	
ND E2*	76.98%	34.8036%	\$1,457,790	65.1964%	\$2,730,829	\$4,188,619	
ND D1*	23.02%	30.9731%	\$387,956	69.0269%	\$864,603	\$1,252,559	
North Dakota			\$1,845,747		\$3,595,432	\$5,441,178	
		LGS		All others			
		Rate	billing units**	Revenue	Rate	billing units**	Revenue
kWh billing		\$0.00222	639,261,332	\$1,420,856	\$0.00286	1,256,788,936	\$3,595,432
kW billing		\$0.331	1,283,929	\$424,891	n/a	n/a	n/a
Class revenue				\$1,845,747			\$3,595,432
					Total North Dakota revenue		\$5,441,178

Alternative #3 - Proposed		
Forecasted Retail Sales, all classes		\$133,727,063
Revenue Requirement		\$5,441,178
Percentage of Revenue Rate		4.069%

* Class factors are consistent with projected recovery period.

** April 2015 - March 2016 proposed rider recovery period.

	Rate/kWh	kWh	Revenue	LGS customers after April 1, 2010				Revenue	Total Revenue
				Rate/kWh	kWh	Rate/kW	kW		
Jan-2009	\$0.00193	Actual	\$394,208					\$394,208	
Feb-2009	\$0.00510	Actual	920,965					920,965	
Mar-2009	\$0.00510	Actual	866,474					866,474	
Apr-2009	\$0.00510	Actual	774,049					774,049	
May-2009	\$0.00510	Actual	606,416					606,416	
Jun-2009	\$0.00510	Actual	569,287					569,287	
Jul-2009	\$0.00510	Actual	569,467					569,467	
Aug-2009	\$0.00510	Actual	578,077					578,077	
Sep-2009	\$0.00510	Actual	589,636					589,636	
Oct-2009	\$0.00510	Actual	636,380					636,380	
Nov-2009	\$0.00510	Actual	690,479					690,479	
Dec-2009	\$0.00369	Actual	602,291					602,291	
			<u>\$7,794,729</u>					<u>\$7,794,729</u>	
Jan-2010	\$0.00369	Actual	\$769,785					\$769,785	
Feb-2010	\$0.00369	Actual	678,100					678,100	
Mar-2010	\$0.00369	Actual	612,637					612,637	
Apr-2010	\$0.00369	Actual	542,911					542,911	
May-2010	\$0.00369	Actual	439,016					439,016	
Jun-2010	\$0.00369	Actual	417,911					417,911	
Jul-2010	\$0.00369	Actual	447,431					447,431	
Aug-2010	\$0.00369	Actual	487,322					487,322	
Sep-2010	\$0.00551	Actual	455,045	\$0.00473		\$ 0.212	224,617	679,662	
Oct-2010	\$0.00551	Actual	414,985	\$0.00473		\$ 0.212	213,045	628,031	
Nov-2010	\$0.00551	Actual	530,030	\$0.00473		\$ 0.212	223,542	753,572	
Dec-2010	\$0.00551	Actual	734,658	\$0.00473		\$ 0.212	232,340	966,997	
			<u>\$6,529,831</u>				<u>\$893,544</u>	<u>\$7,423,375</u>	
Jan-2011	\$0.00551	Actual	\$846,163	\$0.00473		\$ 0.212	234,099	\$1,080,262	
Feb-2011	\$0.00551	Actual	806,358	\$0.00473		\$ 0.212	239,442	1,045,800	
Mar-2011	\$0.00551	Actual	747,456	\$0.00473		\$ 0.212	222,691	970,147	
Apr-2011	\$0.00551	Actual	\$625,290	\$0.00473		\$ 0.212	\$243,993	869,283	
May-2011	\$0.00551	Actual	\$487,143	\$0.00473		\$ 0.212	\$220,061	707,203	
Jun-2011	\$0.00551	Actual	\$432,594	\$0.00473		\$ 0.212	\$238,188	670,781	
Jul-2011	\$0.00551	Actual	\$422,451	\$0.00473		\$ 0.212	\$238,794	\$661,245	
Aug-2011	\$0.00551	Actual	\$461,630	\$0.00473		\$ 0.212	\$237,676	\$699,307	
Sep-2011	\$0.00551	Actual	\$448,743	\$0.00473		\$ 0.212	\$241,973	\$690,717	
Oct-2011	\$0.00551	Actual	\$405,485	\$0.00473		\$ 0.212	\$231,077	\$636,562	
Nov-2011	\$0.00551	Actual	\$527,776	\$0.00473		\$ 0.212	\$234,776	\$762,552	
Dec-2011	\$0.00551	Actual	\$676,465	\$0.00473		\$ 0.212	\$234,929	\$911,394	
Jan-2012	\$0.00551	Actual	\$717,380	\$0.00473		\$ 0.212	\$239,383	\$956,764	
Feb-2012	\$0.00551	Actual	\$744,989	\$0.00473		\$ 0.212	\$247,551	\$992,539	
Mar-2012	\$0.00551	Actual	\$665,107	\$0.00473		\$ 0.212	\$229,206	\$894,313	
Apr-2012	\$0.00556	Actual	\$477,712	\$0.00410		\$ 0.705	\$240,968	\$718,680	
May-2012	\$0.00556	Actual	\$440,448	\$0.00410		\$ 0.705	\$238,132	\$678,580	
Jun-2012	\$0.00556	Actual	\$398,477	\$0.00410		\$ 0.705	\$245,068	\$643,545	
Jul-2012	\$0.00556	Actual	\$447,277	\$0.00410		\$ 0.705	\$257,646	\$704,923	
Aug-2012	\$0.00556	Actual	\$491,604	\$0.00410		\$ 0.705	\$264,875	\$756,479	
Sep-2012	\$0.00556	Actual	\$447,142	\$0.00410		\$ 0.705	\$258,438	\$705,580	
Oct-2012	\$0.00556	Actual	\$444,590	\$0.00410		\$ 0.705	\$246,975	\$691,566	
Nov-2012	\$0.00556	Actual	\$610,548	\$0.00410		\$ 0.705	\$260,980	\$871,528	
Dec-2012	\$0.00556	Actual	\$687,926	\$0.00410		\$ 0.705	\$247,749	\$935,675	
** April 2013 - March 2014 proposed rider recovery period.									
Jan-2013	\$0.00556	Actual	\$859,367	\$0.00410		\$ 0.705	\$255,827	\$1,115,193	
Feb-2013	\$0.00556	Actual	\$867,211	\$0.00410		\$ 0.705	\$257,631	\$1,124,742	
Mar-2013	\$0.00556	Actual	\$717,869	\$0.00410		\$ 0.705	\$236,545	\$954,414	
Apr-2013	\$0.00518	Actual	\$651,421	\$0.00343		\$ 0.719	\$221,762	\$873,183	
May-2013	\$0.00518	Actual	\$516,916	\$0.00343		\$ 0.719	\$214,930	\$731,846	
Jun-2013	\$0.00518	Actual	\$383,071	\$0.00343		\$ 0.719	\$210,931	\$594,002	
Jul-2013	\$0.00518	Actual	\$409,287	\$0.00343		\$ 0.719	\$220,097	\$629,384	
Aug-2013	\$0.00518	Actual	\$405,646	\$0.00343		\$ 0.719	\$225,373	\$631,019	
Sep-2013	\$0.00518	Actual	\$433,126	\$0.00343		\$ 0.719	\$234,349	\$667,475	
Oct-2013	\$0.00518	Actual	\$401,662	\$0.00343		\$ 0.719	\$219,903	\$621,565	
Nov-2013	\$0.00518	Actual	\$588,760	\$0.00343		\$ 0.719	\$229,717	\$818,478	
Dec-2013	\$0.00518	Actual	\$765,565	\$0.00343		\$ 0.719	\$222,331	\$987,896	
Jan-2014	\$0.00518	Actual	\$912,611	\$0.00343		\$ 0.719	\$260,884	\$1,173,495	
Feb-2014	\$0.00518	Actual	\$865,942	\$0.00343		\$ 0.719	\$230,081	\$1,096,023	
Mar-2014	\$0.00518	Actual	\$764,264	\$0.00343		\$ 0.719	\$219,008	\$983,272	
Apr-2014	\$0.00440	Actual	\$563,627	\$0.00347		\$ 0.489	\$203,702	\$767,329	
May-2014	\$0.00440	Actual	\$434,392	\$0.00347		\$ 0.489	\$197,929	\$632,321	
Jun-2014	\$0.00440	Actual	\$357,905	\$0.00347		\$ 0.489	\$208,671	\$566,576	
Jul-2014	\$0.00440	Actual	\$348,822	\$0.00347		\$ 0.489	\$210,869	\$559,691	
Aug-2014	\$0.00440	Actual	\$346,531	\$0.00347		\$ 0.489	\$219,309	\$565,840	
Sep-2014	\$0.00440	Actual	\$357,311	\$0.00347		\$ 0.489	\$221,612	\$579,123	
Oct-2014	\$0.00440	Actual	\$371,854	\$0.00347		\$ 0.489	\$208,349	\$580,202	
Nov-2014	\$0.00440	Actual	\$464,040	\$0.00347		\$ 0.489	\$210,587	\$674,627	
Dec-2014	\$0.00440	128,016,005	\$563,270	\$0.00347	50,165,057	\$ 0.489	90,798	\$218,473	
								\$781,744	
Jan-2015	\$0.00440	151,429,021	\$666,288	\$0.00347	52,794,629	\$ 0.489	104,438	\$234,268	
Feb-2015	\$0.00440	148,251,029	\$652,305	\$0.00347	54,281,163	\$ 0.489	105,461	\$239,926	
Mar-2015	\$0.00440	129,274,511	\$568,808	\$0.00347	51,486,630	\$ 0.489	103,730	\$229,382	
Apr-2015	4.069%	\$ 7,805,461	\$317,604	4.069%	\$ 3,298,815			\$134,229	
May-2015	4.069%	6,455,441	\$262,672	4.069%	3,206,222			\$130,461	
Jun-2015	4.069%	6,497,577	\$264,386	4.069%	3,479,024			\$141,561	
Jul-2015	4.069%	6,891,843	\$280,429	4.069%	3,532,597			\$143,741	
Aug-2015	4.069%	7,201,615	\$293,034	4.069%	3,518,558			\$143,170	
Sep-2015	4.069%	7,134,170	\$290,289	4.069%	3,604,190			\$146,654	
Oct-2015	4.069%	6,400,096	\$260,420	4.069%	3,164,514			\$128,764	
Nov-2015	4.069%	7,672,685	\$312,202	4.069%	3,181,633			\$129,461	
Dec-2015	4.069%	8,884,772	\$361,521	4.069%	3,140,195			\$127,775	
Jan-2016	4.069%	\$ 10,166,750	\$413,685	4.069%	\$ 3,242,163			\$131,924	
Feb-2016	4.069%	9,928,033	\$403,972	4.069%	3,333,734			\$135,650	
Mar-2016	4.069%	8,797,126	\$357,955	4.069%	3,189,847			\$129,795	
Projected revenue April 2015 - March 2016			\$3,818,169				\$1,623,185	\$5,441,354	
Cost recovery target amount								5,441,178	
Difference								\$176	
Billing determinants for recovery period									
		\$ 93,835,570			\$ 39,891,493				

Attachment 6

Updated Renewable Resource Rider
(Redline and Clean Versions)



Fergus Falls, Minnesota

~~(a) Rate schedules 10.03 Large General Service, 10.05 Large General Service Time of Day, 14.02 Real Time Pricing Rider and 14.03 Large General Service Rider.~~

~~**DETERMINATION OF DEMAND CHARGE (LARGE GENERAL SERVICE CLASS ONLY):** The demand charge shall be billed consistent with the billing demand as defined in the applicable rate schedule under which the Customer is taking service.~~

N
N
N
N
N

~~**DETERMINATION OF RENEWABLE RESOURCE COST CHARGE:** The RRC Factor shall be determined by dividing the forecasted *balance of the RRC Tracker account* by the *forecasted retail revenues subject to the RRC Factor*. The forecasted RRC Tracker balance and retail revenues shall be based on the forecast for the appropriate 12 month period (or such other period as may be approved by the Commission). The RRC Factor shall be rounded to the nearest 0.001 percent.~~

NORTH DAKOTA PUBLIC
SERVICE COMMISSION

Case No. PU-154-14

Approved by order dated ~~March 12, 2014~~

EFFECTIVE with bills rendered on
and after April 1, 201~~5~~⁴, in North Dakota

APPROVED: Thomas R. Brause
Vice President, Administration



Fergus Falls, Minnesota

The balance of the RRC Tracker account for determination of the RRC Factor shall include annual revenue requirements and any true-up balance described as follows: N
N

The annual revenue requirements associated with these investments eligible for recovery under NDCC 49-02, 49-05, and 49-06 that are determined by the Commission to be eligible for recovery under this RRC Rider. A standard model will be used to calculate the total forecasted North Dakota revenue requirements for eligible measures for the designated period. N
N
N
N
N

True-up: For each recovery period, a true-up adjustment to the RRC Tracker account will be calculated reflecting the difference between actual prior period RRC recoveries and actual prior period revenue requirements. Any resulting over/under recovery will be reflected as a carryover balance and included in calculating the next RRC Factor plus carrying charges or credits accrued at the rate of return approved in Otter Tail Power Company's most recent general rate case. N
N
N
N
N
N

All costs appropriately charged to the RRC Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the applicable RRC Factor shall be credited to the RRC Tracker account. N
N
N

Forecasted retail revenues used for calculating the RRC Factor shall include the forecast of retail electric revenue collected through all applicable charges and credits under the Company's retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (TailWinds) and Section 14.11 (Released Energy Access Program Rider). Retail revenue used for calculating the RRC Factor will not include any Mandatory Riders, except Section 13.05 (Economic Development Cost Removal Rider). N
N
N
N
N
N

The RRC Factor may be adjusted annually (or other approved periods) with approval of the Commission. N
N



Fergus Falls, Minnesota

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders.

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NORTH DAKOTA PUBLIC
SERVICE COMMISSION

Case No. PU-~~15-~~ 12-24

Approved by order dated ~~March 21, 2012~~ _____

EFFECTIVE with bills rendered on
and after April 1, 201~~2~~5, in North Dakota

APPROVED: Thomas R. Brause
Vice President, Administration



Fergus Falls, Minnesota

RENEWABLE RESOURCE COST RECOVERY RIDER

DESCRIPTION	RATE CODE
All Services	50-520

C

RULES AND REGULATIONS: Terms and conditions of this rider and the General Rules and Regulations govern use of this schedule.

APPLICATION OF RIDER: This rider is applicable to electric service under all of the Company’s Retail Rate Schedules in Section 9, 10, 11, 12, 13.05, and 14, except for Section 14.09 (**TailWinds**) and Section 14.11 (Released Energy Access Program Rider).

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COST RECOVERY CHARGE: There shall be included on each North Dakota customer’s monthly bill a Renewable Resource Cost Recovery (“RRC”) charge based on the applicable cost recovery factor multiplied by the Customer’s monthly bill. The Customer’s monthly bill shall be based on all applicable charges and credits under the Company’s retail rate schedules in Sections 9, 10, 11, 12, and 14, except for Section 14.09 (**TailWinds**) and Section 14.11 (Released Energy Access Program Rider). The RRC charge will not apply to any Mandatory Riders or sales tax and any local assessments as provided in the General Rules and Regulations for the Company’s electric service, except Section 13.05 (Economic Development Cost Removal Rider). The following charges are applicable in addition to all charges for service being taken under the Company’s standard rate schedules and will be included in the Energy and Renewable Adjustment line item on the customer’s bill.

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C

Renewable Resource Cost Recovery Factor - 4.069 percent
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CR

DETERMINATION OF RENEWABLE RESOURCE COST CHARGE: The RRC Factor shall be determined by dividing the forecasted *balance of the RRC Tracker account* by the *forecasted retail revenues subject to the RRC Factor*. The forecasted RRC Tracker balance and retail revenues shall be based on the forecast for the appropriate 12 month period (or such other period as may be approved by the Commission). The RRC Factor shall be rounded to the nearest 0.001 percent.

N
N
N
N
N
N

NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Case No. PU-15-____
 Approved by order dated _____

EFFECTIVE with bills rendered on
 and after April 1, 2015, in North Dakota

APPROVED: Thomas R. Brause
 Vice President, Administration



Fergus Falls, Minnesota

The *balance of the RRC Tracker account* for determination of the RRC Factor shall include annual revenue requirements and any true-up balance described as follows: N
N

The annual revenue requirements associated with these investments eligible for recovery under NDCC 49-02, 49-05, and 49-06 that are determined by the Commission to be eligible for recovery under this RRC Rider. A standard model will be used to calculate the total forecasted North Dakota revenue requirements for eligible measures for the designated period. N
N
N
N
N

True-up: For each recovery period, a true-up adjustment to the RRC Tracker account will be calculated reflecting the difference between actual prior period RRC recoveries and actual prior period revenue requirements. Any resulting over/under recovery will be reflected as a carryover balance and included in calculating the next RRC Factor plus carrying charges or credits accrued at the rate of return approved in Otter Tail Power Company’s most recent general rate case. N
N
N
N
N
N

All costs appropriately charged to the RRC Tracker account shall be eligible for recovery through this Rider, and all revenues recovered from the applicable RRC Factor shall be credited to the RRC Tracker account. N
N
N

Forecasted retail revenues used for calculating the RRC Factor shall include the forecast of retail electric revenue collected through all applicable charges and credits under the Company’s retail rate schedules in Sections 9, 10, 11, 12 and 14, except for Section 14.09 (**TailWinds**) and Section 14.11 (Released Energy Access Program Rider). Retail revenue used for calculating the RRC Factor will not include any Mandatory Riders, except Section 13.05 (Economic Development Cost Removal Rider). N
N
N
N
N
N

The RRC Factor may be adjusted annually (or other approved periods) with approval of the Commission. N
N

MANDATORY AND VOLUNTARY RIDERS: The amount of a bill for service will be modified by any Mandatory Rate Riders that must apply or Voluntary Rate Riders selected by the Customer, unless otherwise noted in this rider. See sections 12.00, 13.00 and 14.00 of the North Dakota electric rates for the matrices of riders. L
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NORTH DAKOTA PUBLIC
 SERVICE COMMISSION
 Case No. PU-15-_____
 Approved by order dated _____

EFFECTIVE with bills rendered on
 and after April 1, 2015, in North Dakota

APPROVED: Thomas R. Brause
 Vice President, Administration

Notice of decrease to your Renewable Resource Cost Recovery Rider

On December 31, 2014, Otter Tail Power Company filed a request with the North Dakota Public Service Commission to **decrease** our Renewable Resource Cost Recovery Rider, which is part of the Energy and Renewable Adj. line on your electric service statement.

We expect the following impact for bills rendered on and after April 1, 2015:

	<u>Old rates</u>	<u>New rates</u>	<u>Impact of new rates</u> ⁽¹⁾
Large General Service	\$0.489 per kw plus \$0.00347 per kwh	4.069% of bill	-\$800.34
Residential and Others Customers	\$0.00440 per kwh	4.069% of bill	-\$0.88

⁽¹⁾ Assumes customer averages: Large General Service using demand of 1,000 kw and 400,000 kwh and all other customers using 1,000 kwh

This decrease is subject to review and approval by the Commission. The change applied for is proposed only and, if the rates are suspended by the Commission, the new rates will not be effective until the Commission takes action.

For more information visit otpc.com or call 800-257-4044.