



**Otter Tail Power Company
Minn-Kota Ag Products Extension
Net Contributions to Cost- Secondary Service – 33% LF**

Aggregate Cost to Extend Service & On-Site Facilities:	\$235,869
PSC Authorized Rate of Return:	8.62%
Required ROR to Justify Extension Based on Authorized ROR:	\$20,332
Revenue required to get to 8.62%ROR (grossed up for tax effect using 11.92%)	\$28,116
Estimated Annual Load (kWh):	2,846,400
Estimated Annual Revenue:	\$271,981
Remove Cost of Fuel at 2.5 cents kWh:	\$71,160
Estimated Net Revenue:	\$200,821
Net Contribution to Costs (Estimated net revenue less required ROR)	<u>\$172,705</u>

Otter Tail Power Company
Minn-Kota Ag Products Extension
Net Contributions to Cost- Secondary Service – 23% LF

Aggregate Cost to Extend Service & On-Site Facilities:	\$235,869
PSC Authorized Rate of Return:	8.62%
Required ROR to Justify Extension Based on Authorized ROR:	\$20,332
Revenue required to get to 8.62%ROR (grossed up for tax effect using 11.92%)	\$28,116
Estimated Annual Load (kWh):	2,591,440
Estimated Annual Revenue:	\$251,136
Remove Cost of Fuel at 2.5 cents kWh:	\$64,786
Estimated Net Revenue:	\$186,350
Net Contribution to Costs (Estimated net revenue less required ROR)	<u>\$158,234</u>