

**Dakota Valley Electric Cooperative**

Three Phase Large Commercial Rate Schedule  
Commercial Incentive Rate Discount

**Otter Tail Power Company**

General Service Rate

	<u>Minn-Kota Ag</u>	<u>DVEC Power</u>	<u>Cost of Service</u>	<u>DVEC Revenue</u>	<u>Minn-Kota Ag</u>
	<u>Service Charges</u>	<u>Supplier Costs</u>			<u>Service Charges</u>
Year 1	\$275,524.58	\$255,809.80	\$1,344.09	\$18,370.69	\$ 261,322.81
Year 2	\$275,524.58	\$256,065.61	\$1,391.13	\$18,067.84	\$ 261,322.81
Year 3	\$275,524.58	\$256,321.67	\$1,439.82	\$17,763.08	\$ 261,322.81
Year 4	\$275,524.58	\$256,577.99	\$1,490.22	\$17,456.37	\$ 261,322.81
Year 5	\$281,626.81	\$256,834.57	\$1,542.37	\$23,249.87	\$ 261,322.81
Year 6	\$281,626.81	\$257,091.41	\$1,596.36	\$22,939.05	\$ 261,322.81
Year 7	\$287,729.05	\$257,348.50	\$1,652.23	\$28,728.32	\$ 261,322.81
Year 8	\$287,729.05	\$257,605.85	\$1,710.06	\$28,413.14	\$ 261,322.81
Year 9	\$293,831.28	\$257,863.45	\$1,769.91	\$34,197.92	\$ 261,322.81
Year 10	\$306,035.75	\$258,121.32	\$1,831.86	\$46,082.58	\$ 261,322.81

Based on 33% Load Factor

Power Supply cost is increased by 1Mill annually as per our 10 year Financial Forecast

Cost of Service is based on our expenses per service location / increased by 3.5% annually for inflation

By Year 5 DVEC will have recovered our initial investment of \$93,640

Minn Kota Charges assume NO Rate increase - but reflect the change in the EcDev discount %

# Dakota Valley Electric Cooperative Minn-Kota Ag Products Extension

Using Rate of Return formula for comparison to OTP's exhibit

Aggregate Cost to Extend Service & On-Site Facilities:	\$	93,640
DVEC 5 year average of Rate of Return		3.19%
ROR to meet 5 year average		2,987.12
Estimate Annual Load		2,781,000
Estimate Annual Revenue	\$	275,525
Wholesale Power Cost	\$	255,810
Estimated Net Revenue	\$	19,715
Net Contribution of Costs	\$	16,728