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August 25, 2017



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

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

Dear Mr. Nitschke:

Pursuant to the above-referenced order, enclosed is the Minnesota Public Utilities Commission (MPUC) Order dated May 5, 2017, and its Erratum Notice, dated July 7, 2017 certifying proposed remaining lives and net salvage percentages. The Orders certify these depreciation parameters based on Otter Tail's most recent depreciation study. A summary of key decision items is provided on the final page of the MPUC's Initial Order. The parameters are effective January 1, 2017. A copy of Otter Tail's initial Annual Review of Depreciation Certification filing (Initial Filing) submitted to the MPUC on September 1, 2016, and a copy of Otter Tail's Request for Reconsideration of Order, submitted May 24, 2017 are also enclosed in this compliance filing. The updated Attachment 2 of the Request for Reconsideration lists the remaining lives and net salvage or amortization period requested to be certified.

Also included with this filing is a worksheet, identified as Statement B. Statement B shows the total estimated impact on North Dakota of changes in depreciation rates. Page 2 of Statement B shows this impact to be an increase in annual expense of \$1,713,354.

An electronic copy of this filing is being sent to you at [dnitschk@nd.gov](mailto:dnitschk@nd.gov) and to [ndpsc@nd.gov](mailto:ndpsc@nd.gov). These items are filed for your information. If you have any questions, please contact me at 218-739-8385 or [bhaugen@otpc.com](mailto:bhaugen@otpc.com).

Sincerely,

Bryce C. Haugen  
Senior Rates Analyst, Regulatory Administration

jch  
Enclosures  
By electronic filing and U.S. Mail

# Estimated Impact on North Dakota

Statement B

# 2016 Technical Update



**North Dakota  
(Statement B)**

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/15 Plant	North Dakota	Current Annual Accrual		Updated Annual Accrual		Difference	
	Investment B	Allocation Factor C	Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
<b>STEAM PRODUCTION</b>								
311.00 Structures and Improvements	\$ 124,286,056	0.38514989	\$ 1,427,320	\$ 549,732	\$ 3,102,744	\$ 1,195,022	\$ 1,675,424	\$ 645,290
312.00 Boiler Plant Equipment	315,197,161	0.38514989	7,545,194	2,906,031	10,474,487	4,034,248	2,929,293	1,128,217
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	0.38514989	536,814	206,754	136,821	52,697	(399,993)	(154,057)
314.00 Turbogenerator Units	65,472,261	0.38514989	1,559,987	600,829	1,527,667	588,381	(32,320)	(12,448)
315.00 Accessory Electric Equipment	36,595,822	0.38514989	606,491	233,590	878,459	338,339	271,968	104,749
316.00 Miscellaneous Power Plant Equipment	6,238,030	0.38514989	171,670	66,118	194,137	74,771	22,467	8,653
<b>Total Steam Production Plant</b>	<b>\$ 554,770,006</b>		<b>\$ 11,847,476</b>	<b>\$ 4,563,054</b>	<b>\$ 16,314,315</b>	<b>\$ 6,283,458</b>	<b>\$ 4,466,839</b>	<b>\$ 1,720,404</b>
<b>HYDRAULIC PRODUCTION</b>								
331.00 Structures and Improvements	\$ 351,712	0.38514989	\$ 21,392	\$ 11,060	\$ 21,874	\$ 11,306	\$ 482	\$ 246
332.00 Reservoirs, Dams and Waterways	4,277,055	0.38514989	415,566	214,821	425,871	220,149	10,305	5,328
333.00 Water Wheels, Turbines & Generators	1,373,867	0.38514989	75,984	39,278	77,680	40,156	1,696	878
334.00 Accessory Electric Equipment	592,400	0.38514989	32,324	16,710	33,018	17,068	694	358
335.00 Miscellaneous Power Plant Equipment	442,624	0.38514989	49,832	25,761	50,934	26,330	1,102	569
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,037,658</b>		<b>\$ 595,098</b>	<b>\$ 307,630</b>	<b>\$ 609,377</b>	<b>\$ 315,009</b>	<b>\$ 14,279</b>	<b>\$ 7,379</b>
<b>OTHER PRODUCTION</b>								
341.00 Structures and Improvements	\$ 12,946,210	0.38514989	\$ 493,384	\$ 189,729	\$ 483,121	\$ 185,776	\$ (10,263)	\$ (3,953)
342.00 Fuel Holders and Accessories	1,748,265	0.38514989	67,217	25,889	46,108	17,758	(21,109)	(8,131)
343.00 Prime Movers	31,897,514	0.38514989	864,038	332,783	759,498	292,520	(104,540)	(40,263)
344.00 Generators	241,512,941	0.38514989	10,492,472	4,032,110	10,531,073	4,046,944	38,601	14,834
345.00 Accessory Electric Equipment	20,546,283	0.38514989	862,129	331,351	856,948	329,356	(5,181)	(1,995)
346.00 Miscellaneous Power Plant Equipment	605,667	0.38514989	24,594	9,465	21,975	8,456	(2,619)	(1,009)
<b>Total Other Production Plant</b>	<b>\$ 309,256,880</b>		<b>\$ 12,803,834</b>	<b>\$ 4,921,327</b>	<b>\$ 12,698,723</b>	<b>\$ 4,880,810</b>	<b>\$ (105,111)</b>	<b>\$ (40,517)</b>
<b>TRANSMISSION PLANT</b>								
353.00 Station Equipment	\$ 85,468,068	0.41528042	\$ 1,324,755	\$ 550,145	\$ 1,333,302	\$ 553,694	\$ 8,547	\$ 3,549
354.00 Towers and Fixtures	85,885,043	0.41528042	1,348,395	559,962	1,348,395	559,962		
355.00 Poles and Fixtures	107,218,331	0.41528042	2,080,036	863,798	2,101,479	872,703	21,443	8,905
356.00 Overhead Conductors and Devices	102,215,587	0.41528042	1,696,779	704,639	1,727,443	717,373	30,664	12,734
358.00 Underground Conductors and Devices	77,461	0.41528042	1,115	463	1,053	437	(62)	(26)
<b>Total Transmission Plant</b>	<b>\$ 380,864,490</b>		<b>\$ 6,451,080</b>	<b>\$ 2,679,007</b>	<b>\$ 6,511,672</b>	<b>\$ 2,704,169</b>	<b>\$ 60,592</b>	<b>\$ 25,162</b>
<b>DISTRIBUTION PLANT</b>								
362.00 Station Equipment	\$ 75,495,956	0.46755540	\$ 1,585,415	\$ 741,269	\$ 1,600,514	\$ 748,329	\$ 15,099	\$ 7,060
364.00 Poles, Towers and Fixtures	69,428,763	0.46755540	1,728,776	808,299	1,728,776	808,299		
365.00 Overhead Conductors and Devices	49,145,272	0.46755540	1,371,153	641,090	1,376,068	643,388	4,915	2,298
367.00 Underground Conductors and Devices	71,676,278	0.46755540	1,677,225	784,196	1,691,560	790,898	14,335	6,702
368.00 Line Transformers	89,762,013	0.46755540	1,113,049	520,412	1,122,025	524,609	8,976	4,197

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/15	North Dakota	Current Annual Accrual		Updated Annual Accrual		Difference	
	Plant	Allocation	Total	North Dakota	Total	North Dakota	Total	North Dakota
	Investment	Factor	D	E=C*D	F	G=C*F	H=F-D	I=G-E
369.00 Overhead Services	12,837,241	0.46755540	539,164	252,089	543,015	253,890	3,851	1,801
369.10 Underground Services	39,609,183	0.46755540	1,033,800	483,359	1,033,800	483,359		
370.00 Meters	24,243,214	0.46755540	768,510	359,321	775,783	362,722	7,273	3,401
370.10 Load Management Switches	8,681,054	0.46755540	1,069,506	500,053	1,015,683	474,888	(53,823)	(25,165)
370.20 Interruption Monitors	36,582	0.46755540	3,658	1,710	3,658	1,710		
371.20 Other Private Lighting	4,482,178	0.46755540	173,460	81,102	174,805	81,731	1,345	629
373.00 Street Lighting and Signal Systems	5,156,980	0.46755540	173,790	81,256	175,853	82,221	2,063	965
<b>Total Distribution Plant</b>	<b>\$ 450,554,714</b>		<b>\$ 11,237,506</b>	<b>\$ 5,254,156</b>	<b>\$ 11,241,540</b>	<b>\$ 5,256,044</b>	<b>\$ 4,034</b>	<b>\$ 1,888</b>
<b>GENERAL PLANT</b>								
<b>Depreciable</b>								
390.00 Structures and Improvements	\$ 19,735,934	0.42490161	\$ 408,534	\$ 173,587	\$ 404,587	\$ 171,910	\$ (3,947)	\$ (1,677)
390.10 General Office Buildings	5,712,599	0.42490161	29,706	12,622	30,277	12,865	571	243
390.20 Fleet Service Center Building	937,678	0.42490161	12,284	5,219	13,784	5,857	1,500	638
390.30 Central Stores Building	4,026,350	0.42490161	(84,553)	(35,927)	(84,151)	(35,756)	402	171
396.00 Power Operated Equipment	605,062	0.42490161	16,458	6,993	15,853	6,736	(605)	(257)
397.40 Communication Towers	1,888,762	0.42490161	39,097	16,612	38,908	16,532	(189)	(80)
<b>Total Depreciable</b>	<b>\$ 32,906,385</b>		<b>\$ 421,526</b>	<b>\$ 179,106</b>	<b>\$ 419,258</b>	<b>\$ 178,144</b>	<b>\$ (2,268)</b>	<b>\$ (962)</b>
<b>Amortizable</b>								
391.00 Office Furniture	\$ 1,315,610	0.42490161	\$ 82,935	\$ 35,239	\$ 82,935	\$ 35,239	\$ -	\$ -
391.10 Office Equipment	808,231	0.42490161	80,768	34,318	80,768	34,318		
391.20 Duplicating Equipment	433,343	0.42490161	29,351	12,471	29,351	12,471		
391.50 Computer Systems	4,837,066	0.42490161	489,760	208,100	489,760	208,100		
391.60 Computer Related Equipment	2,087,637	0.42490161	226,157	96,094	226,157	96,094		
394.00 Tools, Shop and Garage Equipment	3,927,992	0.42490161	256,156	108,841	256,156	108,841		
394.20 Automated Meter Reading Equipment	617,570	0.42490161	41,171	17,494	41,171	17,494		
397.00 Communication Equipment	873,580	0.42490161	56,408	23,968	56,408	23,968		
397.10 Radio Telecommunication Equipment	1,206,997	0.42490161	119,574	50,807	119,574	50,807		
397.20 Microwave Equipment	4,625,643	0.42490161	293,201	124,582	293,201	124,582		
397.30 Radio Load Control Equipment	317,859	0.42490161	31,786	13,506	31,786	13,506		
<b>Total Amortizable</b>	<b>\$ 21,051,528</b>		<b>\$ 1,707,267</b>	<b>\$ 725,420</b>	<b>\$ 1,707,267</b>	<b>\$ 725,420</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total General Plant</b>	<b>\$ 53,957,913</b>		<b>\$ 2,128,793</b>	<b>\$ 904,526</b>	<b>\$ 2,126,525</b>	<b>\$ 903,564</b>	<b>\$ (2,268)</b>	<b>\$ (962)</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,756,441,661</b>		<b>\$ 45,063,787</b>	<b>\$ 18,629,700</b>	<b>\$ 49,502,152</b>	<b>\$ 20,343,054</b>	<b>\$ 4,438,365</b>	<b>\$ 1,713,354</b>

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/15 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
			D	E=C*D	F	G=C*F	H=F-D	I=G-E
<b>STEAM PRODUCTION</b>								
<b>Big Stone</b>								
311.00 Structures and Improvements	\$ 84,848,400	0.38514989	\$ 755,151	\$ 290,846	\$ 2,435,149	\$ 937,897	\$ 1,679,998	\$ 647,051
312.00 Boiler Plant Equipment	184,717,394	0.38514989	3,066,309	1,180,989	5,855,541	2,255,261	2,789,232	1,074,272
312.10 Boiler Plant Equipment - Ash Ponds		0.38514989						
314.00 Turbogenerator Units	29,971,009	0.38514989	503,513	193,928	488,527	188,156	(14,986)	(5,772)
315.00 Accessory Electric Equipment	21,986,160	0.38514989	294,615	113,471	571,640	220,167	277,025	106,696
316.00 Miscellaneous Power Plant Equipment	3,091,711	0.38514989	52,559	20,243	60,598	23,339	8,039	3,096
<b>Total Big Stone</b>	<b>\$ 324,614,674</b>		<b>\$ 4,672,147</b>	<b>\$ 1,799,477</b>	<b>\$ 9,411,455</b>	<b>\$ 3,624,820</b>	<b>\$ 4,739,308</b>	<b>\$ 1,825,343</b>
<b>Hoot Lake Units 2 and 3</b>								
311.00 Structures and Improvements	\$ 6,084,167	0.38514989	\$ 168,531	\$ 64,910	\$ 160,622	\$ 61,864	\$ (7,909)	\$ (3,046)
312.00 Boiler Plant Equipment	38,203,868	0.38514989	2,937,877	1,131,523	3,041,028	1,171,252	103,151	39,729
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	0.38514989	536,814	206,754	136,821	52,697	(399,993)	(154,057)
314.00 Turbogenerator Units	11,555,862	0.38514989	517,703	199,393	500,369	192,717	(17,334)	(6,676)
315.00 Accessory Electric Equipment	2,766,673	0.38514989	108,177	41,664	104,304	40,173	(3,873)	(1,491)
316.00 Miscellaneous Power Plant Equipment	1,157,884	0.38514989	73,178	28,184	85,220	32,822	12,042	4,638
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,749,130</b>		<b>\$ 4,342,280</b>	<b>\$ 1,672,428</b>	<b>\$ 4,028,364</b>	<b>\$ 1,551,525</b>	<b>\$ (313,916)</b>	<b>\$ (120,903)</b>
<b>Coyote</b>								
311.00 Structures and Improvements	\$ 33,353,489	0.38514989	\$ 503,638	\$ 193,976	\$ 506,973	\$ 195,261	\$ 3,335	\$ 1,285
312.00 Boiler Plant Equipment	92,275,899	0.38514989	1,541,008	593,519	1,577,918	607,735	36,910	14,216
312.10 Boiler Plant Equipment - Ash Ponds		0.38514989						
314.00 Turbogenerator Units	23,945,390	0.38514989	538,771	207,508	538,771	207,508		
315.00 Accessory Electric Equipment	11,842,989	0.38514989	203,699	78,455	202,515	77,999	(1,184)	(456)
316.00 Miscellaneous Power Plant Equipment	1,988,435	0.38514989	45,933	17,691	48,319	18,610	2,386	919
<b>Total Coyote</b>	<b>\$ 163,406,202</b>		<b>\$ 2,833,049</b>	<b>\$ 1,091,149</b>	<b>\$ 2,874,496</b>	<b>\$ 1,107,113</b>	<b>\$ 41,447</b>	<b>\$ 15,964</b>
<b>HYDRAULIC PRODUCTION</b>								
<b>Hoot Lake</b>								
331.00 Structures and Improvements	\$ 69,354	0.51693683	\$ 187	\$ 97	\$ 194	\$ 100	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	297,674	0.51693683	7,233	3,739	7,412	3,832	179	93
333.00 Water Wheels, Turbines & Generators	104,195	0.51693683	1,730	894	1,761	910	31	16
334.00 Accessory Electric Equipment	34,651	0.51693683	790	408	804	416	14	8
335.00 Miscellaneous Power Plant Equipment	48,801	0.51693683	6,300	3,257	6,442	3,330	142	73
<b>Total Hoot Lake</b>	<b>\$ 554,675</b>		<b>\$ 16,240</b>	<b>\$ 8,395</b>	<b>\$ 16,613</b>	<b>\$ 8,588</b>	<b>\$ 373</b>	<b>\$ 193</b>
<b>Wright</b>								
331.00 Structures and Improvements	\$ 19,026	0.51693683	\$ 654	\$ 338	\$ 668	\$ 345	\$ 14	\$ 7
332.00 Reservoirs, Dams and Waterways	892,711	0.51693683	103,554	53,531	106,054	54,823	2,500	1,292
333.00 Water Wheels, Turbines & Generators	545,392	0.51693683	23,452	12,123	23,997	12,405	545	282
334.00 Accessory Electric Equipment	200,524	0.51693683	11,831	6,116	12,092	6,251	261	135
335.00 Miscellaneous Power Plant Equipment	115,218	0.51693683	10,761	5,563	11,003	5,688	242	125
<b>Total Wright</b>	<b>\$ 1,772,871</b>		<b>\$ 150,252</b>	<b>\$ 77,671</b>	<b>\$ 153,814</b>	<b>\$ 79,512</b>	<b>\$ 3,562</b>	<b>\$ 1,841</b>

**OTTER TAIL POWER COMPANY**

Statement B

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Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/15 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
			D	E=C*D	F	G=C*F	H=F-D	I=G-E
<b>Pisgah</b>								
331.00 Structures and Improvements	\$ 12,118	0.51693683	\$ 332	\$ 172	\$ 339	\$ 175	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	376,297	0.51693683	33,378	17,254	34,130	17,643	752	389
333.00 Water Wheels, Turbines & Generators	159,732	0.51693683	12,188	6,300	12,459	6,441	271	141
334.00 Accessory Electric Equipment	99,812	0.51693683	6,528	3,375	6,667	3,446	139	71
335.00 Miscellaneous Power Plant Equipment	62,744	0.51693683	8,508	4,398	8,696	4,495	188	97
<b>Total Pisgah</b>	<b>\$ 710,703</b>		<b>\$ 60,934</b>	<b>\$ 31,499</b>	<b>\$ 62,291</b>	<b>\$ 32,200</b>	<b>\$ 1,357</b>	<b>\$ 701</b>
<b>Dayton Hollow</b>								
331.00 Structures and Improvements	\$ 16,269	0.51693683	\$ 1,951	\$ 1,009	\$ 1,995	\$ 1,031	\$ 44	\$ 22
332.00 Reservoirs, Dams and Waterways	1,291,391	0.51693683	151,351	78,239	154,709	79,975	3,358	1,736
333.00 Water Wheels, Turbines & Generators	226,751	0.51693683	17,052	8,815	17,414	9,002	362	187
334.00 Accessory Electric Equipment	193,342	0.51693683	10,131	5,237	10,344	5,347	213	110
335.00 Miscellaneous Power Plant Equipment	111,159	0.51693683	13,895	7,183	14,195	7,338	300	155
<b>Total Dayton Hollow</b>	<b>\$ 1,838,912</b>		<b>\$ 194,380</b>	<b>\$ 100,483</b>	<b>\$ 198,657</b>	<b>\$ 102,693</b>	<b>\$ 4,277</b>	<b>\$ 2,210</b>
<b>Taplin Gorge</b>								
331.00 Structures and Improvements	\$ 35,140	0.51693683	\$ 365	\$ 189	\$ 376	\$ 194	\$ 11	\$ 5
332.00 Reservoirs, Dams and Waterways	602,762	0.51693683	42,917	22,185	43,821	22,653	904	468
333.00 Water Wheels, Turbines & Generators	15,110	0.51693683	136	70	139	72	3	2
334.00 Accessory Electric Equipment	58,695	0.51693683	2,688	1,390	2,747	1,420	59	30
335.00 Miscellaneous Power Plant Equipment	103,632	0.51693683	10,249	5,298	10,477	5,416	228	118
<b>Total Taplin Gorge</b>	<b>\$ 815,339</b>		<b>\$ 56,355</b>	<b>\$ 29,132</b>	<b>\$ 57,560</b>	<b>\$ 29,755</b>	<b>\$ 1,205</b>	<b>\$ 623</b>
<b>Bemidji</b>								
331.00 Structures and Improvements	\$ 199,805	0.51693683	\$ 17,903	\$ 9,255	\$ 18,302	\$ 9,461	\$ 399	\$ 206
332.00 Reservoirs, Dams and Waterways	816,220	0.51693683	77,133	39,873	79,745	41,223	2,612	1,350
333.00 Water Wheels, Turbines & Generators	322,687	0.51693683	21,426	11,076	21,910	11,326	484	250
334.00 Accessory Electric Equipment	5,376	0.51693683	356	184	364	188	8	4
335.00 Miscellaneous Power Plant Equipment	1,070	0.51693683	119	62	121	63	2	1
<b>Total Bemidji</b>	<b>\$ 1,345,158</b>		<b>\$ 116,937</b>	<b>\$ 60,450</b>	<b>\$ 120,442</b>	<b>\$ 62,261</b>	<b>\$ 3,505</b>	<b>\$ 1,811</b>
<b>OTHER PRODUCTION</b>								
<b>Jamestown</b>								
341.00 Structures and Improvements	\$ 305,657	0.38514989	\$ 12,152	\$ 4,680	\$ 5,402	\$ 2,080	\$ (6,750)	\$ (2,600)
342.00 Fuel Holders and Accessories	415,964	0.38514989	26,206	10,094	11,575	4,458	(14,631)	(5,636)
343.00 Prime Movers	6,645,516	0.38514989	146,383	56,379	65,544	25,244	(80,839)	(31,135)
344.00 Generators		0.38514989						
345.00 Accessory Electric Equipment	227,505	0.38514989	9,995	3,850	5,583	2,151	(4,412)	(1,699)
346.00 Miscellaneous Power Plant Equipment	90,235	0.38514989	5,532	2,130	3,096	1,192	(2,436)	(938)
<b>Total Jamestown</b>	<b>\$ 7,684,877</b>		<b>\$ 200,268</b>	<b>\$ 77,133</b>	<b>\$ 91,200</b>	<b>\$ 35,125</b>	<b>\$ (109,068)</b>	<b>\$ (42,008)</b>

**OTTER TAIL POWER COMPANY**

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Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/15 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
<b>Jamestown Unit 1</b>								
341.00 Structures and Improvements	\$ 280,804	0.38514989	\$ 10,474	\$ 4,034	\$ 4,661	\$ 1,795	\$ (5,813)	\$ (2,239)
342.00 Fuel Holders and Accessories	379,195	0.38514989	25,254	9,727	11,148	4,294	(14,106)	(5,433)
343.00 Prime Movers	2,862,225	0.38514989	72,987	28,111	32,629	12,567	(40,358)	(15,544)
344.00 Generators		0.38514989						
345.00 Accessory Electric Equipment	155,272	0.38514989	5,574	2,147	2,484	957	(3,090)	(1,190)
346.00 Miscellaneous Power Plant Equipment	85,462	0.38514989	5,290	2,037	3,111	1,198	(2,179)	(839)
<b>Total Jamestown Unit 1</b>	<b>\$ 3,762,958</b>		<b>\$ 119,579</b>	<b>\$ 46,056</b>	<b>\$ 54,033</b>	<b>\$ 20,811</b>	<b>\$ (65,546)</b>	<b>\$ (25,245)</b>
<b>Jamestown Unit 2</b>								
341.00 Structures and Improvements	\$ 24,853	0.38514989	\$ 1,678	\$ 646	\$ 741	\$ 285	\$ (937)	\$ (361)
342.00 Fuel Holders and Accessories	36,769	0.38514989	952	367	427	164	(525)	(203)
343.00 Prime Movers	3,783,291	0.38514989	73,396	28,268	32,915	12,677	(40,481)	(15,591)
344.00 Generators		0.38514989						
345.00 Accessory Electric Equipment	72,233	0.38514989	4,421	1,703	3,099	1,194	(1,322)	(509)
346.00 Miscellaneous Power Plant Equipment	4,773	0.38514989	242	93	(15)	(6)	(257)	(99)
<b>Total Jamestown Unit 2</b>	<b>\$ 3,921,919</b>		<b>\$ 80,689</b>	<b>\$ 31,077</b>	<b>\$ 37,167</b>	<b>\$ 14,314</b>	<b>\$ (43,522)</b>	<b>\$ (16,763)</b>
<b>Lake Preston</b>								
341.00 Structures and Improvements	\$ 229,834	0.38514989	\$ 6,964	\$ 2,682	\$ 3,126	\$ 1,204	\$ (3,838)	\$ (1,478)
342.00 Fuel Holders and Accessories	328,705	0.38514989	11,505	4,431	5,128	1,975	(6,377)	(2,456)
343.00 Prime Movers	3,172,066	0.38514989	59,318	22,846	26,963	10,385	(32,355)	(12,461)
344.00 Generators		0.38514989						
345.00 Accessory Electric Equipment	369,280	0.38514989	5,982	2,304	2,733	1,053	(3,249)	(1,251)
346.00 Miscellaneous Power Plant Equipment	21,607	0.38514989	352	136	162	62	(190)	(74)
<b>Total Lake Preston</b>	<b>\$ 4,121,492</b>		<b>\$ 84,121</b>	<b>\$ 32,399</b>	<b>\$ 38,112</b>	<b>\$ 14,679</b>	<b>\$ (46,009)</b>	<b>\$ (17,720)</b>
<b>Ashtabula Wind Generation</b>								
341.00 Structures and Improvements	\$ 3,248,290	0.38428595	\$ 138,702	\$ 53,301	\$ 139,027	\$ 53,426	\$ 325	\$ 125
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	106,840,446	0.38428595	4,626,191	1,777,780	4,658,243	1,790,097	32,052	12,317
345.00 Accessory Electric Equipment	6,372,808	0.38428595	274,031	105,306	274,031	105,306		
346.00 Miscellaneous Power Plant Equipment	28,417	0.38428595	1,455	559	1,455	559		
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,489,961</b>		<b>\$ 5,040,379</b>	<b>\$ 1,936,946</b>	<b>\$ 5,072,756</b>	<b>\$ 1,949,388</b>	<b>\$ 32,377</b>	<b>\$ 12,442</b>
<b>Langdon Wind Generation</b>								
341.00 Structures and Improvements	\$ 2,484,069	0.38428595	\$ 107,312	\$ 41,238	\$ 107,312	\$ 41,238	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	69,183,864	0.38428595	3,037,172	1,167,143	3,037,172	1,167,143		
345.00 Accessory Electric Equipment	7,407,275	0.38428595	325,920	125,246	325,920	125,246		
346.00 Miscellaneous Power Plant Equipment	65,210	0.38428595	3,495	1,343	3,502	1,346	7	3
<b>Total Langdon Wind Generation</b>	<b>\$ 79,140,418</b>		<b>\$ 3,473,899</b>	<b>\$ 1,334,970</b>	<b>\$ 3,473,906</b>	<b>\$ 1,334,973</b>	<b>\$ 7</b>	<b>\$ 3</b>

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/15 Plant Investment B	North Dakota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	North Dakota E=C*D	Total F	North Dakota G=C*F	Total H=F-D	North Dakota I=G-E
<b><u>Luverne Wind Generation</u></b>								
341.00 Structures and Improvements	\$ 2,266,581	0.38428595	\$ 96,783	\$ 37,192	\$ 96,783	\$ 37,192	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	65,488,631	0.38428595	2,829,109	1,087,187	2,835,658	1,089,704	6,549	2,517
345.00 Accessory Electric Equipment	4,863,837	0.38428595	207,686	79,811	207,686	79,811		
346.00 Miscellaneous Power Plant Equipment	74,045	0.38428595	3,747	1,440	3,747	1,440		
<b>Total Luverne Wind Generation</b>	<b>\$ 72,693,094</b>		<b>\$ 3,137,325</b>	<b>\$ 1,205,630</b>	<b>\$ 3,143,874</b>	<b>\$ 1,208,147</b>	<b>\$ 6,549</b>	<b>\$ 2,517</b>
<b><u>Solway Combustion Turbine</u></b>								
341.00 Structures and Improvements	\$ 4,411,779	0.38514989	\$ 131,471	\$ 50,636	\$ 131,471	\$ 50,636	\$ -	\$ -
342.00 Fuel Holders and Accessories	1,003,596	0.38514989	29,506	11,364	29,405	11,325	(101)	(39)
343.00 Prime Movers	21,488,294	0.38514989	640,351	246,631	648,946	249,941	8,595	3,310
344.00 Generators		0.38514989						
345.00 Accessory Electric Equipment	1,305,578	0.38514989	38,515	14,834	40,995	15,789	2,480	955
346.00 Miscellaneous Power Plant Equipment	326,153	0.38514989	10,013	3,857	10,013	3,857		
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,535,400</b>		<b>\$ 849,856</b>	<b>\$ 327,322</b>	<b>\$ 860,830</b>	<b>\$ 331,548</b>	<b>\$ 10,974</b>	<b>\$ 4,226</b>
<b><u>Fergus Falls Control Center</u></b>								
341.00 Structures and Improvements	\$ -	0.38514989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories		0.38514989						
343.00 Prime Movers	591,638	0.38514989	17,986	6,927	18,045	6,950	59	23
344.00 Generators		0.38514989						
345.00 Accessory Electric Equipment		0.38514989						
346.00 Miscellaneous Power Plant Equipment		0.38514989						
<b>Total Fergus Falls Control Center</b>	<b>\$ 591,638</b>		<b>\$ 17,986</b>	<b>\$ 6,927</b>	<b>\$ 18,045</b>	<b>\$ 6,950</b>	<b>\$ 59</b>	<b>\$ 23</b>

Minnesota Public Utilities  
Commission Order  
Dated May 5, 2017

Docket No. E017/D-16-729

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange  
Dan Lipschultz  
Matthew Schuerger  
Katie J. Sieben  
John A. Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of Otter Tail Power Company's  
2016 Annual Review of Depreciation  
Certification

ISSUE DATE: May 5, 2017

DOCKET NO. E-017/D-16-729

ORDER APPROVING REMAINING  
LIVES AND SALVAGE VALUE  
RATES AND REQUIRING FILING

**PROCEDURAL HISTORY**

On September 1, 2016, Otter Tail Power Company (Otter Tail or the Company) filed its 2016 Annual Review of Depreciation petition. In its filing, the Company requested approval of changes to the lives and salvage rates of several property accounts based on the company's plant and reserve balances as of December 31, 2015.<sup>1</sup> The Company proposed a 33.91-year remaining life for its Hoot Lake ash disposal sites.<sup>2</sup> The Company has requested that the approved rates become effective on January 1, 2017.

On December 13, 2016, the Department of Commerce, Division of Energy Resources (the Department) filed comments, recommending that the Commission approve the Company's service lives, proposed salvage values, and proposed depreciation rate for all facilities, except the Jamestown and Lake Preston peaking facilities. The Department asked the Company to calculate the impact on depreciation expense if the lives of the Company's peaking facilities at Jamestown and Lake Preston were extended to 2033.

In reply comments, the Company agreed with the Department's recommendation to extend the service lives of the peaking facilities to 2033.

On January 18, 2017, Otter Tail filed an update of its proposed remaining lives and salvage for use in 2017.

On April 18, 2017, the Commission met to consider the matter.

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<sup>1</sup> The Company's last five-year comprehensive depreciation study was filed in 2013, and approved in Docket No. E-017/D-13-795 (April 2014).

<sup>2</sup> On September 14, 2016, Otter Tail filed an errata sheet to correct its petition.

## FINDINGS AND CONCLUSIONS

### **I. Agreement of the Parties**

By December 22, 2016, the Department and Otter Tail had agreed to all of the issues considered in this case, as set forth below:

- Remaining life and subaccount for the Hoot Lake ash disposal facilities
- Remaining lives of the Jamestown and Lake Preston peaking facilities
- A change to the Big Stone Air Quality Control System net salvage value
- Depreciation parameters following changes in remaining lives, passage of time since the last depreciation filing, plant additions and retirements, and changes in net salvage values.

### **II. Regulatory Background**

“Depreciation” refers to the loss of an asset’s service value due to consumption or prospective retirement, other than losses that can be restored through routine maintenance or paid for by insurance.<sup>3</sup> Assets may depreciate due to wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, and changes in demand and the requirements of public authorities, among other causes.<sup>4</sup>

Depreciation accounting permits a utility to recover the cost of a tangible capital asset plus the cost of decommissioning the asset over the asset’s useful life. “Decommissioning costs” refers to the anticipated cost of removing an asset at the end of its useful life, offset by the asset’s anticipated salvage value; the opposite of this number—salvage value minus cost of removal—is called net salvage.

The Commission sets a utility’s rates with the goal of providing the utility a reasonable opportunity to recover its costs plus a fair return on its assets. Depreciation influences this calculation because depreciation represents a form of cost, and because depreciation reduces the amount of assets upon which the utility earns a return. If a utility understates its depreciation, this error will result in lower costs, a higher asset balance over time, and assets that reach the end of their useful lives before the utility has fully recovered its investment in them.

To ensure appropriate depreciation practices, public utilities must obtain Commission certification of their depreciation rates at least every five years. A utility may depreciate a capital asset using either the average-service-life technique or the remaining-life technique. Because the remaining life technique requires annual adjustment to a utility’s depreciation rates, utilities using this technique obtain approval of new depreciation rates annually.

### **III. Hoot Lake Ash Disposal Facilities**

The Hoot Lake plant is scheduled for decommissioning in 2021. The Company requested that the Commission establish a subaccount and set the remaining lives for the ash disposal facilities at

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<sup>3</sup> Minn. R. 7825.0500, subp. 6.

<sup>4</sup> *Id.*

33.91 years (2051).<sup>5</sup> Otter Tail proposed transferring the costs of the ash ponds from the Federal Energy Regulatory Commission account 312 to a new sub account (312.1). The gross plant and accumulated depreciation for the ash ponds results in a net plant balance of \$4,648,913. The Company did not include this amount in its recent rate case test year,<sup>6</sup> but plans to reflect the changes in depreciation expense and additional rate base investments in its next rate case.

After consideration of Otter Tail's proposal to transfer the costs of the ash ponds to new sub account 312.1, the Department agreed with the Company that ratepayer intergenerational equity is maintained. This is so because future ratepayers who will bear the costs will benefit from current risk mitigation practices at the ash disposal facilities.

The Commission agrees with the parties, and finds this proposal to be reasonable. The Commission will approve the Company's proposal to:

- Set up a new subaccount (312.1) under the Hoot Lake plant account (312)
- Transfer the costs of the existing lined permitted ash disposal facility into the subaccount 312.1
- Depreciate the costs of the ash disposal facility over 33.91 years.

#### **IV. Jamestown and Lake Preston Peaking Facilities**

In its initial filing, Otter Tail did not propose any changes to the remaining lives of either the Jamestown or Lake Preston peaking facilities, set at 2023. In the 4<sup>th</sup> quarter of 2016, Otter Tail completed Control System upgrades at both plants.

With these upgrades, the Department concluded that the plants could continue operating until 2033. The Department also observed that Otter Tail's Resource Plan identifies June 2033 as the expected retirement date for both the Jamestown and Lake Preston Peaking facilities. The Department noted that it is useful to reconcile the remaining lives for resource planning purposes and the remaining lives for depreciation purposes. Otter Tail subsequently agreed to extend the remaining lives of the facilities to 2033.

The Commission agrees that it is useful to reconcile the remaining lives for both resource planning and depreciation purposes to obtain a better understanding of future plans by the Company to maintain its production facilities. This comparison is a reasonable tool to help ensure that rates are reasonable and service is reliable. Accordingly, the Commission will order a continuation of the requirement that Otter Tail reconcile the two forecasts in the future. The Commission will require Otter Tail to include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in its depreciation filings, and to explain any differences.

#### **V. Big Stone – Salvage Value**

Otter Tail owns 53% of the Big Stone Plant. In December 2015 the plant completed its new air-

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<sup>5</sup> The ash ponds will require monitoring for 30 years after the final ash landfill capping.

<sup>6</sup> Docket No. E-017/GR-15-1033, *In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in Minnesota*.

quality control system (AQCS) to meet the Environmental Protection Agency's emissions reduction requirement. The new system reduced plant emissions of sulfur dioxide, nitrogen oxides, and mercury by some 90 percent, thereby helping the Company generate base-load electricity from coal in a more environmentally responsible manner.

Otter Tail proposed a change to the Big Stone AQCS net salvage value from negative 11.4% to negative 6%. The Company explained that its 2016 Technical Update's Future Net Salvage amount for Steam Production is (\$40,638,669). This amount is 5.4% more than 2015's (\$38,572,383). The increased negative salvage amount was driven primarily by changes to the Big Stone's decommissioning cost.

The Department agreed with Otter Tail that the overall increase in the plant-in-service balances outweighs the overall increase in future net salvage amounts. The Department also concluded that the proposed salvage rates for all production facilities, including Big Stone, are reasonable, since the Company proposed only minimal or no changes in salvage rates of its remaining production plants.

The Commission agrees with the Department that the Company-proposed change to the Big Stone air quality control system net salvage value from negative 11.4% to negative 6% is reasonable, and will so approve.

## **VI. Depreciation Parameters**

In summary, the Company's changes in annual rates and accruals adopted herein result in an increase to depreciation expense of \$24,412,396 on a Minnesota basis. The portion of the increase to annual depreciation expense allocated to the Minnesota jurisdiction is \$2,447,949, primarily attributable to adjusting the decommissioning costs of the Big Stone Advanced Air Quality System. A change in accrual rates (an increase of 0.27%) is attributable to the Company's proposed change to the Big Stone AQCS salvage value from negative 11.4% to negative 6%. This increase is almost 100% of the Total Utility annualized accrual.<sup>7</sup>

Therefore, the Commission will approve the Company's depreciation parameters resulting from the above-referenced changes to remaining lives and salvage values, the adjustment of one-year's passage of time, and the accounting of plant additions and retirements (as reflected in Attachment No. 1 to Otter Tail Power's January 18, 2017 letter).

## **VII. Effective Date and Next Filing**

The Commission will order the rates set herein to be effective as of January 1, 2017. The Company must make its next depreciation filing on or before September 1, 2017.

## **ORDER**

1. The remaining life of the Hoot Lake ash ponds is approved. The Commission will allow Otter Tail to establish a sub account for the Hoot Lake ash disposal facilities as follows:

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<sup>7</sup> The 2016 annualized accrual for the Big Stone Plant is \$4,672,147; the 2017 annualized accrual for the Big Stone Plant is \$4,739,308.

- Set up a new subaccount (312.1) under the Hoot Lake plant account (312);
  - Transfer the costs of the existing lined permitted ash disposal facility into the subaccount (312.1); and
  - Depreciate the costs of the ash disposal facility over 33.91 years, or to 2051.
2. The Company's proposal to extend the remaining lives of the Jamestown and Lake Preston peaking facilities from 2023 to 2033 is approved.
  3. Otter Tail Power's proposed change to the Big Stone AQCS net salvage value from negative 11.4% to negative 6% is approved.
  4. The Commission approves the Company's depreciation parameters resulting from the above changes to remaining lives and salvage values, the adjustment of one-year's passage of time, and the accounting of plant additions and retirements (as reflected in Attachment No. 1 to Otter Tail Power's January 18, 2017 letter).
  5. In future depreciation filings, Otter Tail shall include a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, and explain any differences.
  6. These rates shall become effective as of January 1, 2017.
  7. Otter Tail shall make its next depreciation filing on or before September 1, 2017.
  8. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Daniel P. Wolf  
Executive Secretary



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## **CERTIFICATE OF SERVICE**

I, Margie DeLaHunt, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses indicated below or on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**Minnesota Public Utilities Commission  
ORDER APPROVING REMAINING LIVES AND SALVAGE VALUE RATES  
AND REQUIREMENTS FILING**

Docket Number **E-017/D-16-729**

Dated this **5th** day of **May, 2017**

/s/ Margie DeLaHunt

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Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_16-729_D-16-729

Otter Tail Power Request for  
Reconsideration of Order  
Dated May 24, 2017

Docket No. E017/D-16-729

215 South Cascade Street  
PO Box 496  
Fergus Falls, Minnesota 56538-0496  
218 739-8200  
[www.otpc.com](http://www.otpc.com) (web site)



May 24, 2017

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its  
2016 Annual Review of Depreciation Certification  
Docket No. E017/D-16-729  
Request for Reconsideration and Clarification**

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits a Request for Reconsideration and Clarification of the Commission's May 5, 2017 Order.

Please contact me at (218) 739-8659 or [ldemmer@otpc.com](mailto:ldemmer@otpc.com) if you have any questions.

Sincerely,

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

jch  
Enclosures  
By electronic filing  
c: Service List

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matt Schuerger	Commissioner
Katie Sieben	Commissioner
John Tuma	Commissioner

In the Matter of Otter Tail Power  
Company's Petition for Approval of its  
2016 Annual Review of Depreciation  
Certification

Docket No. E017/D-16-729

**REQUEST FOR RECONSIDERATION & CLARIFICATION**

Otter Tail Power Company (OTP or the Company) respectfully submits the following Request for Reconsideration & Clarification of the Commission's May 5, 2017 Order regarding OTP's 2016 Annual Review of Depreciation Certification. OTP's request is filed pursuant to Minn. Stat. § 216B.27 and Minn. R. 7829.3000. As described below, Otter Tail asks that the Commission correct and clarify several depreciation figures noted in the Order's Findings and Conclusions. OTP does not seek reconsideration of or changes to the ordering points of the Order.

On page 4 of the Findings and Conclusions, under Paragraph IV "Depreciation Parameters", the Commission states the following:

In summary, the Company's changes in annual rates and accruals adopted herein **result in an increase to depreciation expense of \$24,412,396** on a Minnesota basis. The portion of the increase to annual depreciation expense allocated to the Minnesota jurisdiction is **\$2,447,949**, primarily attributable to adjusting the decommissioning costs of the Big Stone Advanced Air Quality System.

(emphasis added).

As explained below, OTP proposes the following clarifications and corrections to the foregoing paragraph:

In summary, the Company's changes in annual rates and accruals adopted herein result in ~~an increase to~~ depreciation expense of ~~\$24,412,396~~ \$24,328,482 on a Minnesota basis. ~~The portion of the~~ This represents an increase to annual depreciation expense allocated to the Minnesota jurisdiction ~~is of \$2,447,949~~ \$2,291,857, primarily attributable to adjusting the decommissioning costs of the Big Stone Advanced Air Quality System

OTP respectfully notes that annual depreciation expense did not increase *by* \$24,412,396 on a Minnesota basis as currently stated in the Finding and Conclusions. Instead depreciation expense increased by approximately \$2.3 million *to* \$24,328,482 on a Minnesota basis. Also please note that the difference between \$24,412,396 (as stated on page 4) and \$24,328,482 (as clarified and corrected) is attributable to the depreciation impact of extending the remaining lives of OTP's Jamestown and Lake Preston peaking units to 2033<sup>1</sup>. This change resulted in a decrease to the Annual Depreciation Accrual of \$162,330 system wide with a reduction of \$83,916 associated with the Minnesota jurisdiction.<sup>2</sup>

Otter Tail also respectfully notes that the annual depreciation expense allocated to the Minnesota jurisdiction is \$2,291,857 rather than \$2,447,949. OTP believes this discrepancy is due to calculations using figures that OTP later corrected in an Errata filing. The \$2,447,949 figure appears to be the result of (a) the ratio of the Minnesota portion of depreciation expense multiplied by (b) the Depreciation Expense difference on Table 1 of OTP's Initial Filing.<sup>3</sup> OTP corrected Table 1 in an Errata filing.<sup>4</sup> When the corrected Table 1 in OTP's Errata filing is used, the annual depreciation expense increase of \$2,447,949 ( $\$4,740,319 \times .51639$ ) MN portion becomes \$2,375,771. This figure is then decreased by the \$83,914 from the Remaining Life extension of OTP's Jamestown and Lake Preston peaking units, resulting in annual depreciation expenses of \$2,291,857 (MN).

---

<sup>1</sup> The Commission approved this extension in ordering point 2 of the Order.

<sup>2</sup> See OTP Reply Comments, December 22, 2016.

<sup>3</sup> See Technical Update 2016, Table 1, page 2, filed with OTP's Petition for Approval of its 2016 Annual Review of Depreciation Certification, September 1, 2016.

<sup>4</sup> *In the Matter of Otter Tail Power Company's Petition for Approval of its 2016 Annual Review of Depreciation Certification*, Docket No. E017/D-16-729, Errata, September 14, 2016.

## CONCLUSION

OTP respectfully requests the Commission reconsider and clarify the Order as discussed above.

Dated as of May 24, 2017

Respectfully Submitted

**Otter Tail Power Company**

By: /s/ CARY STEPHENSON  
Cary Stephenson  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls, MN 56537  
Telephone: (218) 739-8956

## **CERTIFICATE OF SERVICE**

**RE: In the Matter of Otter Tail Power Company's Request for Approval of its  
2016 Annual Review of Depreciation Certification  
Docket No. E017/D-16-729**

I, Jana Hrdlicka, hereby certify that I have this day served a copy of the following, or a summary thereof, on Mr. Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class mail.

**Otter Tail Power Company  
Request for Reconsideration and Clarification**

Dated this **24th** day of **May 2017**.

/s/ JANA HRDLICKA  
Jana Hrdlicka  
Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8879

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Minnesota Public Utilities  
Commission Erratum Order  
Dated July 7, 2017

Docket No. E017/D-16-729

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange  
Dan Lipschultz  
Matthew Schuerger  
Katie J. Sieben  
John A. Tuma

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of Otter Tail Power Company's  
2016 Annual Review of Depreciation  
Certification

ISSUE DATE: July 7, 2017

DOCKET NO. E-017/D-16-729

ERRATUM NOTICE

On May 5, 2017, the Commission issued an order in this docket approving remaining lives and salvage value rates.

On May 24, 2017, Otter Tail filed a request for reconsideration and clarification.<sup>1</sup>

Through inadvertence, page four of the order under Paragraph IV "Depreciation Parameters" included inaccurate depreciation calculations. The Order is hereby corrected to read as follows:  
In s

In summary, the Company's changes in annual rates and accruals adopted herein result in an ~~increase to~~ depreciation expense of ~~\$24,412,396~~ \$24,328,482 on a Minnesota basis. ~~The portion of the~~ This represents an increase to annual depreciation expense allocated to the Minnesota jurisdiction ~~is of \$2,447,949~~ \$2,291,857, primarily attributable to adjusting the decommissioning costs of the Big Stone Advanced Air Quality System.

BY ORDER OF THE COMMISSION



Daniel P. Wolf  
Executive Secretary

This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service.

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<sup>1</sup> The Commission will take no action on the request for reconsideration.

Otter Tail Power Company's  
2016 Minnesota Annual Review of  
Depreciation Certification Filing

Minnesota Docket No. E017/D-16-729

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



September 1, 2016

Mr. Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its  
2016 Annual Review of Depreciation Certification  
Docket No. E017/D-16-\_\_\_\_\_**

Dear Mr. Wolf:

Otter Tail Power Company ("Otter Tail") hereby submits its 2016 Annual Review of Depreciation Certification.

Otter Tail has electronically filed this document with the Commission in compliance with Minn. R. 7829.1300, subp. 2. Otter Tail is serving a copy of this filing on the Minnesota Department of Commerce - Division of Energy Resources and the Office of Attorney General – Antitrust & Utilities Division. A Summary of the filing has been served on all persons on Otter Tail's general service list. A Certificate of Service is also enclosed.

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

Sincerely,

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

nlo  
Enclosures  
By electronic filing  
c: Service List

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

In the Matter of Otter Tail Power  
Company's Petition for Approval of its  
2016 Annual Review of Depreciation  
Certification

Docket No. E017/D-16-\_\_\_\_

**SUMMARY OF FILING**

Please take notice that on September 1, 2016, Otter Tail Power Company filed its 2016 Annual Review of Depreciation Certification with the Minnesota Public Utilities Commission. The study is being filed under Minn. R. 7825.0700.

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

In the Matter of Otter Tail Power  
Company's Petition for Approval of its 2016  
Annual Review of Depreciation  
Certification

Docket No. E017/D-16-\_\_\_\_

**PETITION OF OTTER TAIL POWER COMPANY**

**I. INTRODUCTION**

Pursuant to Minn. R. 7825.0700, Otter Tail Power Company (Otter Tail or the Company) hereby files its 2016 Annual Petition for Depreciation Certification. Otter Tail requests that the study be certified effective January 1, 2017.

**II. GENERAL FILING INFORMATION**

Pursuant to Minn. R. 7829.1300, subp. 4, Otter Tail provides the following general information.

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

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

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

Bruce Gerhardson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8475  
[bgerhardson@otpc.com](mailto:bgerhardson@otpc.com)

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

The filing date is September 1, 2016, and Otter Tail requests approval as of January 1, 2017.

**D. Controlling Law for the Filing**

Minn. Stat. §§ 216B.08 and 216B.11, and Minn. R. 7825.0700 – 7825.0900 control the filing.

**E. Title of Utility Employee Responsible for Filing**

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

**III. DESCRIPTION OF FILING**

This filing constitutes Otter Tail's 2016 Annual Petition for Depreciation Certification. Otter Tail's last five-year comprehensive depreciation study was filed in 2013 and approved by the Minnesota Public Utilities Commission (Commission) on April 7, 2014, in Docket No. E017/D-13-795. Otter Tail's next five-year comprehensive depreciation study is due September 1, 2018. Annual depreciation certification filings are to be filed on or before September 1 of each year in the four interim years between the five-year comprehensive depreciation studies.

This petition contains four attachments:

1. 2016 Depreciation Rate Study prepared by Foster Associates Consultants, LLC, Attachment No. 1;
2. Proposed Remaining Lives and Salvage Percentages for Use in 2017, Attachment No. 2;
3. Supplemental Comments, Attachment No. 3;

4. Schedule and Narrative of Comparison with the Company's most recent Commission approved Resource Plan that was filed in Docket No. E017/RP-13-961 on December 2, 2013, Attachment No. 4<sup>1</sup>.

Attachment No. 1 contains Statement B, which is a Comparison of Current and Proposed Accruals showing depreciation expense for both total Company and the portion allocated to the Minnesota jurisdiction based on plant in-service balances as of December 31, 2015. Other statements in Attachment No. 1 provide the rest of the schedules required in an annual review of depreciation.

Attachment No. 2 lists the property accounts for which the Company requests certification of the remaining lives and salvage percentages to be used in determining 2017 depreciation rates.

Attachment No. 3, "Supplemental Comments," addresses additional information not included in Attachment No. 1; specifically it includes comments related to long-term depreciation planning and explanations about future plant additions and retirements.

Attachment No. 4 provides a schedule and narrative explaining differences between the remaining lives used in this Petition and the Company's most recent Commission approved Integrated Resource Plan that was filed on December 2, 2013.

#### **IV. OTHER DEPRECIATION FILING MATTERS**

##### **A. Hoot Lake Plant Permitted Ash Disposal Facility, Environmental Regulation, Remaining Life:**

In this filing, Otter Tail has one issue relating to the decommissioning of Hoot Lake plant to address. As the Commission is aware, Hoot Lake Plant is scheduled for decommissioning at the end of the 2020 MISO planning year (May 2021). The remaining lives of the plant facility were addressed in Otter Tail's depreciation filing last year. In this filing we address the need to establish an appropriate sub account and set the remaining lives for the ash disposal facility that

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<sup>1</sup> Ordinarily IRP filings are due by July 1 of the year they are filed (Rule 7843.0300, Subp. 2), however, in its Order dated March 25, 2013 in Docket No. E017/RP-10-623, the MN PUC ordered that Otter Tail file its next IRP by December 1, 2013. Otter Tail has filed a new IRP which is currently before the Commission. Docket No. E07/RP-16-386 is in the Initial Comments phase.

will remain in existence after the decommissioning and require monitoring into the future pursuant to EPA regulations, as described below.

### Background

Otter Tail's Hoot Lake Plant (HLP) along with the Minnesota Pollution Control Agency (MPCA) and their Volunteer Investigation and Cleanup (VIC) Program, began in 1999 to investigate former HLP coal ash disposal sites that were formally closed under the terms of a Stipulation Agreement with the MPCA, dated February 5<sup>th</sup>, 1980. The purpose of those investigations was to identify and mitigate environmental impacts that may exist at the closed ash disposal sites. These former ash disposal sites, now known as VIC areas 1 through 4, were used as ash disposal areas prior to the advent of solid waste permitting regulations.

In 2014 HLP initiated a voluntary cleanup pilot program at VIC area 1. This voluntary project met with approval from both the MPCA and the Minnesota Department of Natural Resources (MDNR). The project involved excavating 71,000 cubic yards of coal ash in accordance with a MPCA approved Work Plan, placing the excavated ash into our on-site, lined and permitted ash landfill and then restoring the former ash disposal area to natural conditions as set by MDNR specifications at a project cost of \$794k. Otter Tail partnered with the Fergus Falls Fish and Game Club which donated wood duck houses to make the newly created flood plain even better for wildlife. The goal of the project was to restore the former ash disposal area back to its natural condition and to improve ground water quality. Over a period of some years, we expect the ground water quality to improve to the point where VIC area 1 can be removed from the MPCA Volunteer Investigation and Cleanup program permanently, remediating liability exposure to the Company and thus benefitting our customers.

Then, in 2015 HLP moved approximately 48,000 cubic yards of historic ash from VIC area 4 into and further expanded the plants on-site permanent lined and permitted ash landfill facility at a cost of \$2.7M. Currently the plant is working on ash remediation from VIC areas 2 and 3 at an expected cost of \$1.7M with the final phase of the long term project scheduled to be completed next year for another \$3.5M. Again, the goal of all phases of the project is to improve these sites to the point where they can be removed from the MPCA Volunteer Investigation and Cleanup program permanently.

On December 19, 2014 the Federal Environmental Protection Agency (EPA) released its Coal Combustion Residuals (CCR) rule. According to the rule, CCR will be regulated as a solid waste. This ruling impacts our ash handling and management practices. The final disposal destination for the VIC area ash is our lined, permitted landfill located on the HLP property. This permitted facility is subject to the CCR rule, and as a result, additional environmental monitoring equipment had to be installed. Otter Tail will be required to monitor our on-site lined permitted ash disposal facility at HLP for 30 years past the final ash landfill capping which we expect to be sometime after the plant is retired in 2021.

### Request

To appropriately reflect that the ash disposal facility will have an existence that continues beyond the decommissioning of Hoot Lake Plant and the facility will have a 30-year monitoring requirement as set forth by the EPA in its CCR rules, Otter Tail requests that it be authorized to:

- Set up a new 312.1 sub account at HLP under FERC account 312 and transfer the facilities existing lined permitted ash disposal facility into this sub account. As of December 31, 2015, the Gross Plant and Accumulated Depreciation totaled \$6,980,676 and \$2,331,763 respectively resulting in a Net Plant balance for this site of \$4,648,913.<sup>2</sup> Otter Tail is requesting the Average Year of Final Retirement (AYFR) for this sub account reflecting the existing lined permitted ash disposal facility to be 2051, which is 30 years past the current plants AYFR of 2021. The remaining life for these assets in sub account 312.1 is 33.91 years with this filing and reflects the EPA's 30 year monitoring window requirement promulgated through their CCR rules, which Otter Tail is now required to meet.

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<sup>2</sup> Otter Tail notes that the Revenue Requirement impact associated with this request is negative for Otter Tail. That is, in 2017 when depreciation expense is calculated utilizing the Remaining Lives and Salvage percentages requested with this filing, the associated depreciation expense reduction resulting from extending the Remaining Life of the HLP ash landfill will be more than offset by unrealized rate of return necessary to support its recent investments at the HLP Ash Landfill, which are not included in the rate base of our pending rate case. It is expected that the change to depreciation expense and the additional rate base investments will be reflected in Otter Tail's next general rate case filing, where they are expected to have relatively minor impact in aggregate.

**B. Peaking Capacity Cost Information**

The Commission's Order Accepting Resource Plan Change, (Docket No. E017/RP-05-968) dated March 26, 2009, requires that: "In its first depreciation filing that includes new peaking generators, Otter Tail shall compare the last rate case's short term peaking capacity costs to the peaking capacity costs of the new generators." This filing does not include any new peaking generators so there is no cost information to report at this time.

**V. MISCELLANEOUS INFORMATION**

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

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

and

Bruce Gerhardson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
bgerhardson@otpc.com

**B. Service on Other Parties**

Otter Tail has served a copy of this filing on the Department of Commerce – Division of Energy Resources and the Office of Attorney General – Antitrust & Utilities Division, and a summary of the filing on all parties on the attached general service list.

**C. Summary of Filing**

A one-paragraph summary of the Petition is attached.

**VI. CONCLUSION**

Otter Tail respectfully requests that the Commission approve this annual petition for depreciation certification, to be effective January 1, 2017.

Dated: September 1, 2016

Respectfully submitted,

**OTTER TAIL POWER COMPANY**

*/s/ LOYAL K. DEMMER*

---

Loyal K. Demmer, CMA  
Senior Depreciation Accountant  
Otter Tail Power Company  
215 South Cascade Street  
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# 2016 Technical Update



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*August 2016*

## EXECUTIVE SUMMARY

### INTRODUCTION

This report presents the findings and recommendations developed in a 2016 Technical Update of depreciation rates for Otter Tail Power Company prepared by Foster Associates Consultants, LLC. The parameters (*i.e.*, projection curves, projection lives and future net salvage rates) used in the update were developed in the Company's 2013 Depreciation Study based on December 31, 2012 plant and reserve balances. Age distributions of surviving plant on December 31, 2015 were used in the 2016 update to derive composite service life statistics and theoretical depreciation reserves.

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

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

### SCOPE OF UPDATE

The principal activities undertaken in the course of conducting the 2016 Technical Update included:

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

Accrual rates currently used by the Company were developed from parameters approved in Docket No. E-017/D-15-804 (Order Dated January 7, 2016). Depreciation accruals and reserve activity recorded in 2015 were posted to December 31, 2014 reserves to obtain appropriate reserve ratios for the 2016 Tech-

nical Update.

Notwithstanding that Otter Tail responsibly rebalanced depreciation reserves (with Commission approval) in each full study and each technical update for nearly twenty (20) years, the Department asserted in Docket No. E-017/D-11-886 that: "... the only clear effect of OTP's practice of redistributing reserves is to create a layer of confusion on OTP's depreciation calculations." The Commission accepted the Department's comment and ordered that: "OTP shall discontinue redistributing its depreciation reserves effective with this filing." The stability in accrual rates and control of amortization accounts that Otter Tail achieved by rebalancing depreciation reserves has been eliminated by Commission order and removed from all future studies and technical updates.

### UPDATED DEPRECIATION RATES

Table 1 provides a summary of the changes in annual rates and accruals resulting from the 2016 Technical Update. Rates updated for each primary account (with the exception of amortization accounts) have been developed including authorized allowances for net salvage.

Function A	Accrual Rate			2016 Annualized Accrual		
	Current B	Updated C	Difference D=C-B	Current E	Updated F	Difference G=F-E
Production						
Steam	2.14%	2.97%	0.83%	\$ 11,847,476	\$ 16,453,939	\$ 4,606,463
Hydraulic	8.46%	8.66%	0.20%	595,098	609,377	14,279
Other	4.14%	4.16%	0.02%	12,803,834	12,861,053	57,219
Transmission	1.69%	1.71%	0.02%	6,451,080	6,511,672	60,592
Distribution	2.49%	2.50%	0.01%	11,237,506	11,241,540	4,034
General Plant	3.95%	3.94%	-0.01%	2,128,793	2,126,525	(2,268)
Total Utility	2.57%	2.84%	0.27%	\$ 45,063,787	\$49,804,106	\$4,740,319

Table 1. Current and Updated Rates and Accruals

Adjustments developed in the technical update produce a composite depreciation rate of 2.84 percent. Depreciation expense is currently accrued at an equivalent rate of 2.57 percent. The updated change in the composite depreciation rate is, therefore, an increase of 0.27 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$45,063,787 compared with an annual expense of \$49,804,106 using the rates developed in the update. The increase of \$4,740,319 is largely attributable to adjustments to the estimated cost to dismantle Big Stone. Changes in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant also contribute to the increase in accruals. The increase would be \$3,931,204 if the Company was permitted to rebalance depreciation reserves. The portion of the \$4,740,319 increase allocated to the Minnesota jurisdiction is \$2,447,949.

## STATEMENTS

### INTRODUCTION

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

- Statement A provides a comparative summary of current and updated annual depreciation rates for calendar year 2016 using the straight-line method, vintage group procedure, remaining-life technique.
- Statement B provides a comparison of the current and updated annualized depreciation accruals for calendar year 2016 based upon the rates developed in Statement A.
- Statement C provides a comparison of recorded and computed reserves for each rate category.
- Statement D provides a summary of the components used to obtain a weighted average net salvage rate for each rate category.
- Statement E provides a computation of the estimated future net salvage rate for life-span categories.
- Statement F provides a comparative summary of current and updated parameters including projection life, projection curve and future net salvage rates. The statement also contains current and updated statistics including average service life, average remaining life, and average net salvage rates.

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

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

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

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

While the Agency rules do not require submission of continuity schedules in a technical update, this section includes the following statements which set forth the above information for calendar year 2015:

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

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

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description	Current			Updated			
	Rem. Life	Fut. Net Salvage	Accrual Rate	Rem. Life	Fut. Net Salvage	Reserve Ratio	Accrual Rate
A	B	C	D	E	F	G	H
<b>STEAM PRODUCTION</b>							
311.00 Structures and Improvements	24.22	-10.2%	1.15%	27.20	-7.0%	38.76%	2.50%
312.00 Boiler Plant Equipment	18.11	-10.6%	2.39%	22.18	-7.5%	35.46%	3.32%
312.10 Boiler Plant Equipment - Ash Ponds	18.11	-10.6%	7.69%	33.91		33.40%	1.96%
314.00 Turbogenerator Units	22.00	-10.8%	2.38%	21.20	-8.0%	61.75%	2.33%
315.00 Accessory Electric Equipment	23.31	-10.3%	1.66%	25.49	-7.3%	46.25%	2.40%
316.00 Miscellaneous Power Plant Equipment	19.58	-10.5%	2.75%	18.80	-7.6%	52.68%	3.11%
<b>Total Steam Production Plant</b>			2.14%	23.36	-7.3%	40.18%	2.94%
<b>HYDRAULIC PRODUCTION</b>							
331.00 Structures and Improvements	6.45		6.08%	5.46		66.03%	6.22%
332.00 Reservoirs, Dams and Waterways	6.45		9.72%	5.46		45.63%	9.96%
333.00 Water Wheels, Turbines & Generators	6.45		5.53%	5.46		69.13%	5.65%
334.00 Accessory Electric Equipment	6.45		5.46%	5.46		69.56%	5.58%
335.00 Miscellaneous Power Plant Equipment	6.45		11.26%	5.46		37.17%	11.51%
<b>Total Hydraulic Production Plant</b>			8.46%	5.46		52.72%	8.66%
<b>OTHER PRODUCTION</b>							
341.00 Structures and Improvements	18.94	-1.2%	3.81%	17.99	-1.1%	32.63%	3.82%
342.00 Fuel Holders and Accessories	14.94	-1.0%	3.84%	13.97	-1.0%	48.02%	3.86%
343.00 Prime Movers	18.49	-0.8%	2.71%	17.57	-0.8%	50.70%	2.74%
344.00 Generators	18.05	-1.5%	4.34%	17.09	-1.5%	26.96%	4.36%
345.00 Accessory Electric Equipment	17.97	-1.5%	4.20%	17.00	-1.4%	29.72%	4.22%
346.00 Miscellaneous Power Plant Equipment	18.23	-1.0%	4.06%	16.04	-1.0%	31.13%	4.32%
<b>Total Other Production Plant</b>			4.14%	17.14	-1.4%	29.96%	4.16%
<b>TRANSMISSION PLANT</b>							
353.00 Station Equipment	52.75	-5.0%	1.55%	53.06	-5.0%	22.31%	1.56%
354.00 Towers and Fixtures	65.48	-10.0%	1.57%	66.45	-10.0%	5.41%	1.57%
355.00 Poles and Fixtures	53.90	-50.0%	1.94%	54.30	-50.0%	43.53%	1.96%
356.00 Overhead Conductors and Devices	54.34	-30.0%	1.66%	55.22	-30.0%	36.67%	1.69%
358.00 Underground Conductors and Devices	9.83	-5.0%	1.44%	9.36	-5.0%	92.24%	1.36%
<b>Total Transmission Plant</b>			1.69%	56.93	-25.5%	28.34%	1.71%
<b>DISTRIBUTION PLANT</b>							
362.00 Station Equipment	32.19	5.0%	2.10%	32.11	5.0%	26.91%	2.12%
364.00 Poles, Towers and Fixtures	47.99	-75.0%	2.49%	47.61	-75.0%	56.46%	2.49%
365.00 Overhead Conductors and Devices	43.86	-100.0%	2.79%	43.53	-100.0%	78.26%	2.80%
367.00 Underground Conductors and Devices	24.61	-5.0%	2.34%	24.39	-5.0%	47.52%	2.36%
368.00 Line Transformers	28.29	50.0%	1.24%	28.21	50.0%	14.81%	1.25%
369.00 Overhead Services	32.68	-150.0%	4.20%	32.19	-150.0%	113.98%	4.23%
369.10 Underground Services	30.25	-20.0%	2.61%	29.99	-20.0%	41.74%	2.61%
370.00 Meters	20.68		3.17%	20.69		33.80%	3.20%
370.10 Load Management Switches	2.79		12.32%	2.12		75.20%	11.70%
370.20 Interruption Monitors	← 5 Year Amortization →			← 5 Year Amortization →			
371.20 Other Private Lighting	16.90	10.0%	3.87%	16.83	10.0%	24.34%	3.90%
373.00 Street Lighting and Signal Systems	15.11	-5.0%	3.37%	15.03	-5.0%	53.82%	3.41%
<b>Total Distribution Plant</b>			2.49%	28.61	-18.5%	43.31%	2.50%

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b>GENERAL PLANT</b>							
<b>Depreciable</b>							
390.00 Structures and Improvements	31.17	10.0%	2.07%	30.54	10.0%	27.33%	2.05%
390.10 General Office Buildings	15.18	49.7%	0.52%	14.22	49.6%	42.82%	0.53%
390.20 Fleet Service Center Building	10.36	33.8%	1.31%	9.38	33.6%	52.60%	1.47%
390.30 Central Stores Building	19.93	92.7%	-2.10%	18.98	92.6%	46.99%	-2.09%
396.00 Power Operated Equipment	17.28	20.0%	2.72%	16.89	20.0%	35.76%	2.62%
397.40 Communication Towers	24.87	5.0%	2.07%	24.13	5.0%	45.24%	2.06%
<b>Total Depreciable</b>			1.28%	23.94	27.6%	34.33%	1.27%
<b>Amortizable</b>							
391.00 Office Furniture	← 15 Year Amortization →			← 15 Year Amortization →			
391.10 Office Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.20 Duplicating Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.50 Computer Systems	← 5 Year Amortization →			← 5 Year Amortization →			
391.60 Computer Related Equipment	← 5 Year Amortization →			← 5 Year Amortization →			
394.00 Tools, Shop and Garage Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
394.20 Automated Meter Reading Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.00 Communication Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.10 Radio Telecommunication Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
397.20 Microwave Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.30 Radio Load Control Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
<b>Total Amortizable</b>			8.11%	4.34		53.66%	8.11%
<b>Total General Plant</b>			3.95%	9.09	16.8%	41.87%	3.94%
<b>TOTAL UTILITY</b>			2.57%	25.60	-12.3%	36.72%	2.83%
<b>STEAM PRODUCTION</b>							
<b>Big Stone</b>							
311.00 Structures and Improvements	30.15	-11.8%	0.89%	29.32	-6.0%	21.79%	2.87%
312.00 Boiler Plant Equipment	30.19	-11.8%	1.66%	29.32	-6.0%	13.18%	3.17%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	30.21	-11.8%	1.68%	29.29	-6.0%	58.30%	1.63%
315.00 Accessory Electric Equipment	30.17	-11.8%	1.34%	29.31	-6.0%	29.74%	2.60%
316.00 Miscellaneous Power Plant Equipment	30.19	-11.4%	1.70%	29.29	-5.6%	48.27%	1.96%
<b>Total Big Stone</b>			1.44%	29.32	-6.0%	21.05%	2.90%
<b>Hoot Lake Units 2 and 3</b>							
311.00 Structures and Improvements	6.44	-12.7%	2.77%	5.46	-12.2%	97.76%	2.64%
312.00 Boiler Plant Equipment	6.45	-12.7%	7.69%	5.46	-12.2%	68.76%	7.96%
312.10 Boiler Plant Equipment - Ash Ponds	6.45	-12.7%	7.69%	33.91		33.40%	1.96%
314.00 Turbogenerator Units	6.44	-12.7%	4.48%	5.46	-12.2%	88.55%	4.33%
315.00 Accessory Electric Equipment	6.44	-12.7%	3.91%	5.46	-12.2%	91.62%	3.77%
316.00 Miscellaneous Power Plant Equipment	6.45	-12.6%	6.32%	5.46	-12.1%	71.92%	7.36%
<b>Total Hoot Lake Units 2 and 3</b>			6.51%	6.88	-10.9%	72.13%	6.04%
<b>Coyote</b>							
311.00 Structures and Improvements	25.55	-8.6%	1.51%	24.62	-8.5%	71.17%	1.52%
312.00 Boiler Plant Equipment	25.56	-8.6%	1.67%	24.63	-8.5%	66.28%	1.71%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	25.59	-8.6%	2.25%	24.65	-8.5%	53.12%	2.25%
315.00 Accessory Electric Equipment	25.56	-8.6%	1.72%	24.63	-8.5%	66.30%	1.71%
316.00 Miscellaneous Power Plant Equipment	25.58	-8.3%	2.31%	24.65	-8.2%	48.32%	2.43%
<b>Total Coyote</b>			1.73%	24.63	-8.5%	65.13%	1.76%

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description	Current			Updated				
	Rem. Life	Fut. Net Salvage	Accrual Rate	Rem. Life	Fut. Net Salvage	Reserve Ratio	Accrual Rate	
A	B	C	D	E	F	G	H	
<b>HYDRAULIC PRODUCTION</b>								
<b><u>Hoot Lake</u></b>								
331.00	Structures and Improvements	6.44		0.27%	5.46		98.48%	0.28%
332.00	Reservoirs, Dams and Waterways	6.44		2.43%	5.46		86.43%	2.49%
333.00	Water Wheels, Turbines & Generators	6.44		1.66%	5.46		90.78%	1.69%
334.00	Accessory Electric Equipment	6.44		2.28%	5.46		87.31%	2.32%
335.00	Miscellaneous Power Plant Equipment	6.45		12.91%	5.46		27.94%	13.20%
	<b>Total Hoot Lake</b>			2.93%	5.46		83.66%	3.00%
<b><u>Wright</u></b>								
331.00	Structures and Improvements	6.44		3.44%	5.46		80.85%	3.51%
332.00	Reservoirs, Dams and Waterways	6.45		11.60%	5.46		35.13%	11.88%
333.00	Water Wheels, Turbines & Generators	6.45		4.30%	5.46		75.99%	4.40%
334.00	Accessory Electric Equipment	6.45		5.90%	5.46		67.06%	6.03%
335.00	Miscellaneous Power Plant Equipment	6.45		9.34%	5.46		47.88%	9.55%
	<b>Total Wright</b>			8.48%	5.46		52.63%	8.68%
<b><u>Pisgah</u></b>								
331.00	Structures and Improvements	6.44		2.74%	5.46		84.73%	2.80%
332.00	Reservoirs, Dams and Waterways	6.45		8.87%	5.46		50.47%	9.07%
333.00	Water Wheels, Turbines & Generators	6.45		7.63%	5.46		57.42%	7.80%
334.00	Accessory Electric Equipment	6.45		6.54%	5.46		63.52%	6.68%
335.00	Miscellaneous Power Plant Equipment	6.45		13.56%	5.46		24.32%	13.86%
	<b>Total Pisgah</b>			8.57%	5.46		52.14%	8.76%
<b><u>Dayton Hollow</u></b>								
331.00	Structures and Improvements	6.45		11.99%	5.46		33.06%	12.26%
332.00	Reservoirs, Dams and Waterways	6.45		11.72%	5.46		34.57%	11.98%
333.00	Water Wheels, Turbines & Generators	6.45		7.52%	5.46		58.05%	7.68%
334.00	Accessory Electric Equipment	6.45		5.24%	5.46		70.77%	5.35%
335.00	Miscellaneous Power Plant Equipment	6.45		12.50%	5.46		30.25%	12.77%
	<b>Total Dayton Hollow</b>			10.57%	5.46		41.00%	10.80%
<b><u>Taplin Gorge</u></b>								
331.00	Structures and Improvements	6.44		1.04%	5.45		94.18%	1.07%
332.00	Reservoirs, Dams and Waterways	6.45		7.12%	5.46		60.28%	7.27%
333.00	Water Wheels, Turbines & Generators	6.44		0.90%	5.45		94.96%	0.92%
334.00	Accessory Electric Equipment	6.45		4.58%	5.46		74.45%	4.68%
335.00	Miscellaneous Power Plant Equipment	6.45		9.89%	5.46		44.79%	10.11%
	<b>Total Taplin Gorge</b>			6.91%	5.46		61.44%	7.06%
<b><u>Bemidji</u></b>								
331.00	Structures and Improvements	6.45		8.96%	5.46		49.96%	9.16%
332.00	Reservoirs, Dams and Waterways	6.45		9.45%	5.46		46.66%	9.77%
333.00	Water Wheels, Turbines & Generators	6.45		6.64%	5.46		62.93%	6.79%
334.00	Accessory Electric Equipment	6.44		6.63%	5.45		63.05%	6.78%
335.00	Miscellaneous Power Plant Equipment	6.45		11.09%	5.46		38.10%	11.34%
	<b>Total Bemidji</b>			8.69%	5.46		51.12%	8.95%

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b>OTHER PRODUCTION</b>							
<b><u>Jamestown</u></b>							
341.00 Structures and Improvements	8.41	-1.4%	3.98%	7.43	-1.4%	71.51%	4.03%
342.00 Fuel Holders and Accessories	8.41	-1.4%	6.30%	7.43	-1.4%	54.09%	6.37%
343.00 Prime Movers	8.40	-1.4%	2.20%	7.42	-1.4%	84.85%	2.23%
344.00 Generators							
345.00 Accessory Electric Equipment	8.41	-1.4%	4.36%	7.43	-1.4%	59.76%	5.60%
346.00 Miscellaneous Power Plant Equipment	8.41	-1.4%	6.04%	7.43	-1.4%	42.93%	7.87%
<b>Total Jamestown</b>			2.61%	7.43	-1.4%	81.42%	2.69%
<b><u>Jamestown Unit 1</u></b>							
341.00 Structures and Improvements	8.41	-1.4%	3.73%	7.43	-1.4%	73.35%	3.78%
342.00 Fuel Holders and Accessories	8.41	-1.4%	6.66%	7.43	-1.4%	51.39%	6.73%
343.00 Prime Movers	8.40	-1.4%	2.55%	7.43	-1.4%	82.23%	2.58%
344.00 Generators							
345.00 Accessory Electric Equipment	8.40	-1.4%	3.59%	7.42	-1.4%	74.43%	3.63%
346.00 Miscellaneous Power Plant Equipment	8.41	-1.4%	6.19%	7.43	-1.4%	39.35%	8.35%
<b>Total Jamestown Unit 1</b>			3.18%	7.43	-1.4%	77.16%	3.26%
<b><u>Jamestown Unit 2</u></b>							
341.00 Structures and Improvements	8.41	-1.4%	6.75%	7.43	-1.4%	50.70%	6.82%
342.00 Fuel Holders and Accessories	8.40	-1.4%	2.59%	7.42	-1.4%	81.93%	2.62%
343.00 Prime Movers	8.40	-1.4%	1.94%	7.42	-1.4%	86.84%	1.96%
344.00 Generators							
345.00 Accessory Electric Equipment	8.41	-1.4%	6.12%	7.43	-1.4%	28.22%	9.85%
346.00 Miscellaneous Power Plant Equipment	8.40	-1.4%	5.08%	7.42	-1.4%	106.97%	-0.75%
<b>Total Jamestown Unit 2</b>			2.06%	7.42	-1.4%	85.51%	2.14%
<b><u>Lake Preston</u></b>							
341.00 Structures and Improvements	8.40	-2.4%	3.03%	7.43	-2.4%	79.68%	3.06%
342.00 Fuel Holders and Accessories	8.40	-2.4%	3.50%	7.43	-2.4%	76.16%	3.53%
343.00 Prime Movers	8.40	-2.4%	1.87%	7.42	-2.4%	88.38%	1.89%
344.00 Generators							
345.00 Accessory Electric Equipment	8.40	-2.4%	1.62%	7.42	-2.4%	90.24%	1.64%
346.00 Miscellaneous Power Plant Equipment	8.40	-2.4%	1.63%	7.42	-2.4%	90.14%	1.65%
<b>Total Lake Preston</b>			2.04%	7.42	-2.4%	87.09%	2.06%
<b><u>Ashtabula Wind Generation</u></b>							
341.00 Structures and Improvements	18.07	-1.2%	4.27%	17.11	-1.2%	28.04%	4.28%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	18.07	-1.2%	4.33%	17.11	-1.2%	26.65%	4.36%
345.00 Accessory Electric Equipment	18.07	-1.2%	4.30%	17.11	-1.2%	27.65%	4.30%
346.00 Miscellaneous Power Plant Equipment	18.07	-1.2%	5.12%	17.11	-1.2%	13.62%	5.12%
<b>Total Ashtabula Wind Generation</b>			4.33%	17.11	-1.2%	26.74%	4.35%
<b><u>Langdon Wind Generation</u></b>							
341.00 Structures and Improvements	17.11	-1.5%	4.32%	16.15	-1.4%	31.71%	4.32%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	17.11	-1.5%	4.39%	16.15	-1.4%	30.46%	4.39%
345.00 Accessory Electric Equipment	17.11	-1.5%	4.40%	16.15	-1.4%	30.39%	4.40%
346.00 Miscellaneous Power Plant Equipment	17.12	-1.5%	5.36%	16.16	-1.5%	14.80%	5.37%
<b>Total Langdon Wind Generation</b>			4.39%	16.15	-1.4%	30.48%	4.39%

**OTTER TAIL POWER COMPANY**

Statement A

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Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b><u>Luverne Wind Generation</u></b>							
341.00 Structures and Improvements	19.02	-2.0%	4.27%	18.07	-2.0%	24.88%	4.27%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	19.02	-2.0%	4.32%	18.07	-2.0%	23.77%	4.33%
345.00 Accessory Electric Equipment	19.02	-2.0%	4.27%	18.07	-2.0%	24.84%	4.27%
346.00 Miscellaneous Power Plant Equipment	19.02	-2.0%	5.06%	18.07	-2.0%	10.62%	5.06%
<b>Total Luverne Wind Generation</b>			4.32%	18.07	-2.0%	23.86%	4.32%
<b><u>Solway Combustion Turbine</u></b>							
341.00 Structures and Improvements	22.79	-0.4%	2.98%	21.85	-0.4%	35.36%	2.98%
342.00 Fuel Holders and Accessories	22.79	-0.4%	2.94%	21.85	-0.4%	36.29%	2.93%
343.00 Prime Movers	22.79	-0.4%	2.98%	21.85	-0.4%	34.41%	3.02%
344.00 Generators							
345.00 Accessory Electric Equipment	22.79	-0.4%	2.95%	21.85	-0.4%	31.81%	3.14%
346.00 Miscellaneous Power Plant Equipment	22.79	-0.4%	3.07%	21.85	-0.4%	33.40%	3.07%
<b>Total Solway Combustion Turbine</b>			2.98%	21.85	-0.4%	34.49%	3.02%
<b><u>Fergus Falls Control Center</u></b>							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	15.18		3.04%	14.22		56.66%	3.05%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
<b>Total Fergus Falls Control Center</b>			3.04%	14.22		56.66%	3.05%

**OTTER TAIL POWER COMPANY**  
Comparison of Current and Updated Accruals  
Current: VG Procedure / RL Technique  
Updated: VG Procedure / RL Technique

Statement B

Account Description A	12/31/15 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
			D	E=C*D	F	G=C*F	H=F-D	I=G-E
<b>STEAM PRODUCTION</b>								
311.00 Structures and Improvements	\$ 124,286,056	0.51693683	\$ 1,427,320	\$ 737,834	\$ 3,102,744	\$ 1,603,922	\$ 1,675,424	\$ 866,088
312.00 Boiler Plant Equipment	315,197,161	0.51693683	7,545,194	3,900,389	10,474,487	5,414,648	2,929,293	1,514,259
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	0.51693683	536,814	277,499	136,821	70,728	(399,993)	(206,771)
314.00 Turbogenerator Units	65,472,261	0.51693683	1,559,987	806,415	1,527,667	789,708	(32,320)	(16,707)
315.00 Accessory Electric Equipment	36,595,822	0.51693683	606,491	313,518	878,459	454,108	271,968	140,590
316.00 Miscellaneous Power Plant Equipment	6,238,030	0.51693683	171,670	88,742	194,137	100,356	22,467	11,614
<b>Total Steam Production Plant</b>	<b>\$ 554,770,006</b>		<b>\$ 11,847,476</b>	<b>\$ 6,124,397</b>	<b>\$ 16,314,315</b>	<b>\$ 8,433,470</b>	<b>\$ 4,466,839</b>	<b>\$ 2,309,073</b>
<b>HYDRAULIC PRODUCTION</b>								
331.00 Structures and Improvements	\$ 351,712	0.51693683	\$ 21,392	\$ 11,060	\$ 21,874	\$ 11,306	\$ 482	\$ 246
332.00 Reservoirs, Dams and Waterways	4,277,055	0.51693683	415,566	214,821	425,871	220,149	10,305	5,328
333.00 Water Wheels, Turbines & Generators	1,373,867	0.51693683	75,984	39,278	77,680	40,156	1,696	878
334.00 Accessory Electric Equipment	592,400	0.51693683	32,324	16,710	33,018	17,068	694	358
335.00 Miscellaneous Power Plant Equipment	442,624	0.51693683	49,832	25,761	50,934	26,330	1,102	569
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,037,658</b>		<b>\$ 595,098</b>	<b>\$ 307,630</b>	<b>\$ 609,377</b>	<b>\$ 315,009</b>	<b>\$ 14,279</b>	<b>\$ 7,379</b>
<b>OTHER PRODUCTION</b>								
341.00 Structures and Improvements	\$ 12,946,210	0.51693683	\$ 493,384	\$ 255,360	\$ 493,935	\$ 255,646	\$ 551	\$ 286
342.00 Fuel Holders and Accessories	1,748,265	0.51693683	67,217	34,747	67,491	34,889	274	142
343.00 Prime Movers	31,897,514	0.51693683	864,038	446,654	874,941	452,288	10,903	5,634
344.00 Generators	241,512,941	0.51693683	10,492,472	5,433,515	10,531,073	5,453,504	38,601	19,989
345.00 Accessory Electric Equipment	20,546,283	0.51693683	862,129	446,402	867,439	449,148	5,310	2,746
346.00 Miscellaneous Power Plant Equipment	605,667	0.51693683	24,594	12,721	26,174	13,538	1,580	817
<b>Total Other Production Plant</b>	<b>\$ 309,256,880</b>		<b>\$ 12,803,834</b>	<b>\$ 6,629,399</b>	<b>\$ 12,861,053</b>	<b>\$ 6,659,013</b>	<b>\$ 57,219</b>	<b>\$ 29,614</b>
<b>TRANSMISSION PLANT</b>								
353.00 Station Equipment	\$ 85,468,068	0.47903081	\$ 1,324,755	\$ 634,598	\$ 1,333,302	\$ 638,693	\$ 8,547	\$ 4,095
354.00 Towers and Fixtures	85,885,043	0.47903081	1,348,395	645,923	1,348,395	645,923		
355.00 Poles and Fixtures	107,218,331	0.47903081	2,080,036	996,401	2,101,479	1,006,673	21,443	10,272
356.00 Overhead Conductors and Devices	102,215,587	0.47903081	1,696,779	812,809	1,727,443	827,498	30,664	14,689
358.00 Underground Conductors and Devices	77,461	0.47903081	1,115	534	1,053	504	(62)	(30)
<b>Total Transmission Plant</b>	<b>\$ 380,864,490</b>		<b>\$ 6,451,080</b>	<b>\$ 3,090,265</b>	<b>\$ 6,511,672</b>	<b>\$ 3,119,291</b>	<b>\$ 60,592</b>	<b>\$ 29,026</b>
<b>DISTRIBUTION PLANT</b>								
362.00 Station Equipment	\$ 75,495,956	0.43341119	\$ 1,585,415	\$ 687,137	\$ 1,600,514	\$ 693,681	\$ 15,099	\$ 6,544
364.00 Poles, Towers and Fixtures	69,428,763	0.43341119	1,728,776	749,271	1,728,776	749,271		
365.00 Overhead Conductors and Devices	49,145,272	0.43341119	1,371,153	594,273	1,376,068	596,403	4,915	2,130
367.00 Underground Conductors and Devices	71,676,278	0.43341119	1,677,225	726,928	1,691,560	733,141	14,335	6,213
368.00 Line Transformers	89,762,013	0.43341119	1,113,049	482,408	1,122,025	486,298	8,976	3,890

**OTTER TAIL POWER COMPANY**  
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Statement B

Account Description A	12/31/15 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E
369.00 Overhead Services	12,837,241	0.43341119	539,164	233,680	543,015	235,349	3,851	1,669
369.10 Underground Services	39,609,163	0.43341119	1,033,800	448,060	1,033,800	448,060		
370.00 Meters	24,243,214	0.43341119	768,510	333,081	775,783	336,233	7,273	3,152
370.10 Load Management Switches	8,681,054	0.43341119	1,069,506	463,536	1,015,683	440,208	(53,823)	(23,328)
370.20 Interruption Monitors	36,582	0.43341119	3,658	1,585	3,658	1,585		
371.20 Other Private Lighting	4,482,178	0.43341119	173,460	75,180	174,805	75,762	1,345	582
373.00 Street Lighting and Signal Systems	5,156,980	0.43341119	173,790	75,323	175,853	76,217	2,063	894
<b>Total Distribution Plant</b>	<b>\$ 450,554,714</b>		<b>\$ 11,237,506</b>	<b>\$ 4,870,462</b>	<b>\$ 11,241,540</b>	<b>\$ 4,872,208</b>	<b>\$ 4,034</b>	<b>\$ 1,746</b>
<b>GENERAL PLANT</b>								
<b>Depreciable</b>								
390.00 Structures and Improvements	\$ 19,735,934	0.47118070	\$ 408,534	\$ 192,493	\$ 404,587	\$ 190,634	\$ (3,947)	\$ (1,859)
390.10 General Office Buildings	5,712,599	0.47118070	29,706	13,997	30,277	14,266	571	269
390.20 Fleet Service Center Building	937,678	0.47118070	12,284	5,788	13,784	6,495	1,500	707
390.30 Central Stores Building	4,026,350	0.47118070	(84,553)	(39,840)	(84,151)	(39,650)	402	190
396.00 Power Operated Equipment	605,062	0.47118070	16,458	7,755	15,853	7,470	(605)	(285)
397.40 Communication Towers	1,888,762	0.47118070	39,097	18,422	38,908	18,333	(189)	(89)
<b>Total Depreciable</b>	<b>\$ 32,906,385</b>		<b>\$ 421,526</b>	<b>\$ 198,615</b>	<b>\$ 419,258</b>	<b>\$ 197,548</b>	<b>\$ (2,268)</b>	<b>\$ (1,067)</b>
<b>Amortizable</b>								
391.00 Office Furniture	\$ 1,315,610	0.47787310	\$ 82,935	\$ 39,632	\$ 82,935	\$ 39,632	\$ -	\$ -
391.10 Office Equipment	808,231	0.47787310	80,768	38,597	80,768	38,597		
391.20 Duplicating Equipment	433,343	0.47787310	29,351	14,026	29,351	14,026		
391.50 Computer Systems	4,837,066	0.47787310	489,760	234,043	489,760	234,043		
391.60 Computer Related Equipment	2,087,637	0.47787310	226,157	108,074	226,157	108,074		
394.00 Tools, Shop and Garage Equipment	3,927,992	0.47787310	256,156	122,410	256,156	122,410		
394.20 Automated Meter Reading Equipment	617,570	0.47787310	41,171	19,675	41,171	19,675		
397.00 Communication Equipment	873,580	0.47787310	56,408	26,956	56,408	26,956		
397.10 Radio Telecommunication Equipment	1,206,997	0.47787310	119,574	57,141	119,574	57,141		
397.20 Microwave Equipment	4,625,643	0.47787310	293,201	140,113	293,201	140,113		
397.30 Radio Load Control Equipment	317,859	0.47787310	31,786	15,190	31,786	15,190		
<b>Total Amortizable</b>	<b>\$ 21,051,528</b>		<b>\$ 1,707,267</b>	<b>\$ 815,857</b>	<b>\$ 1,707,267</b>	<b>\$ 815,857</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total General Plant</b>	<b>\$ 53,957,913</b>		<b>\$ 2,128,793</b>	<b>\$ 1,014,472</b>	<b>\$ 2,126,525</b>	<b>\$ 1,013,405</b>	<b>\$ (2,268)</b>	<b>\$ (1,067)</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,756,441,661</b>		<b>\$ 45,063,787</b>	<b>\$ 22,036,625</b>	<b>\$ 49,664,482</b>	<b>\$ 24,412,396</b>	<b>\$ 4,600,695</b>	<b>\$ 2,375,771</b>

**OTTER TAIL POWER COMPANY**  
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Current: VG Procedure / RL Technique  
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Statement B

Account Description A	12/31/15 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E
<b>STEAM PRODUCTION</b>								
<b>Big Stone</b>								
311.00 Structures and Improvements	\$ 84,848,400	0.51693683	\$ 755,151	\$ 390,365	\$ 2,435,149	\$ 1,258,818	\$ 1,679,998	\$ 868,453
312.00 Boiler Plant Equipment	184,717,394	0.51693683	3,066,309	1,585,088	5,855,541	3,026,945	2,789,232	1,441,857
312.10 Boiler Plant Equipment - Ash Ponds								
314.00 Turbogenerator Units	29,971,009	0.51693683	503,513	260,284	488,527	252,538	(14,986)	(7,746)
315.00 Accessory Electric Equipment	21,986,160	0.51693683	294,615	152,297	571,640	295,502	277,025	143,205
316.00 Miscellaneous Power Plant Equipment	3,091,711	0.51693683	52,559	27,170	60,598	31,325	8,039	4,155
<b>Total Big Stone</b>	<b>\$ 324,614,674</b>		<b>\$ 4,672,147</b>	<b>\$ 2,415,204</b>	<b>\$ 9,411,455</b>	<b>\$ 4,865,128</b>	<b>\$ 4,739,308</b>	<b>\$ 2,449,924</b>
<b>Hoot Lake Units 2 and 3</b>								
311.00 Structures and Improvements	\$ 6,084,167	0.51693683	\$ 168,531	\$ 87,120	\$ 160,622	\$ 83,031	\$ (7,909)	\$ (4,089)
312.00 Boiler Plant Equipment	38,203,868	0.51693683	2,937,877	1,518,697	3,041,028	1,572,019	103,151	53,322
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	0.51693683	536,814	277,499	136,821	70,728	(399,993)	(206,771)
314.00 Turbogenerator Units	11,555,862	0.51693683	517,703	267,620	500,369	258,659	(17,334)	(8,961)
315.00 Accessory Electric Equipment	2,766,673	0.51693683	108,177	55,921	104,304	53,919	(3,873)	(2,002)
316.00 Miscellaneous Power Plant Equipment	1,157,884	0.51693683	73,178	37,828	85,220	44,053	12,042	6,225
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,749,130</b>		<b>\$ 4,342,280</b>	<b>\$ 2,244,685</b>	<b>\$ 4,028,364</b>	<b>\$ 2,082,409</b>	<b>\$ (313,916)</b>	<b>\$ (162,276)</b>
<b>Coyote</b>								
311.00 Structures and Improvements	\$ 33,353,489	0.51693683	\$ 503,638	\$ 260,349	\$ 506,973	\$ 262,073	\$ 3,335	\$ 1,724
312.00 Boiler Plant Equipment	92,275,899	0.51693683	1,541,008	796,604	1,577,918	815,684	36,910	19,080
312.10 Boiler Plant Equipment - Ash Ponds								
314.00 Turbogenerator Units	23,945,390	0.51693683	538,771	278,511	538,771	278,511		
315.00 Accessory Electric Equipment	11,842,989	0.51693683	203,699	105,300	202,515	104,687	(1,184)	(613)
316.00 Miscellaneous Power Plant Equipment	1,988,435	0.51693683	45,933	23,744	48,319	24,978	2,386	1,234
<b>Total Coyote</b>	<b>\$ 163,406,202</b>		<b>\$ 2,833,049</b>	<b>\$ 1,464,508</b>	<b>\$ 2,874,496</b>	<b>\$ 1,465,933</b>	<b>\$ 41,447</b>	<b>\$ 21,425</b>
<b>HYDRAULIC PRODUCTION</b>								
<b>Hoot Lake</b>								
331.00 Structures and Improvements	\$ 69,354	0.51693683	\$ 187	\$ 97	\$ 194	\$ 100	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	297,674	0.51693683	7,233	3,739	7,412	3,832	179	93
333.00 Water Wheels, Turbines & Generators	104,195	0.51693683	1,730	894	1,761	910	31	16
334.00 Accessory Electric Equipment	34,651	0.51693683	790	408	804	416	14	8
335.00 Miscellaneous Power Plant Equipment	48,801	0.51693683	6,300	3,257	6,442	3,330	142	73
<b>Total Hoot Lake</b>	<b>\$ 554,675</b>		<b>\$ 16,240</b>	<b>\$ 8,395</b>	<b>\$ 16,613</b>	<b>\$ 8,588</b>	<b>\$ 373</b>	<b>\$ 193</b>
<b>Wright</b>								
331.00 Structures and Improvements	\$ 19,026	0.51693683	\$ 654	\$ 338	\$ 668	\$ 345	\$ 14	\$ 7
332.00 Reservoirs, Dams and Waterways	892,711	0.51693683	103,554	53,531	106,054	54,823	2,500	1,292
333.00 Water Wheels, Turbines & Generators	545,392	0.51693683	23,452	12,123	23,997	12,405	545	282
334.00 Accessory Electric Equipment	200,524	0.51693683	11,831	6,116	12,092	6,251	261	135
335.00 Miscellaneous Power Plant Equipment	115,218	0.51693683	10,761	5,563	11,003	5,688	242	125
<b>Total Wright</b>	<b>\$ 1,772,871</b>		<b>\$ 150,252</b>	<b>\$ 77,671</b>	<b>\$ 153,814</b>	<b>\$ 79,512</b>	<b>\$ 3,562</b>	<b>\$ 1,841</b>

**OTTER TAIL POWER COMPANY**  
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Statement B

Account Description	12/31/15 Plant Investment	Minnesota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	Minnesota	Total	Minnesota	Total	Minnesota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
<b>Pisgah</b>								
331.00 Structures and Improvements	\$ 12,118	0.51693683	\$ 332	\$ 172	\$ 339	\$ 175	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	376,297	0.51693683	33,378	17,254	34,130	17,643	752	389
333.00 Water Wheels, Turbines & Generators	159,732	0.51693683	12,188	6,300	12,459	6,441	271	141
334.00 Accessory Electric Equipment	99,812	0.51693683	5,528	3,375	6,667	3,446	139	71
335.00 Miscellaneous Power Plant Equipment	62,744	0.51693683	8,508	4,398	8,696	4,495	188	97
<b>Total Pisgah</b>	<b>\$ 710,703</b>		<b>\$ 60,934</b>	<b>\$ 31,499</b>	<b>\$ 62,291</b>	<b>\$ 32,200</b>	<b>\$ 1,357</b>	<b>\$ 701</b>
<b>Dayton Hollow</b>								
331.00 Structures and Improvements	\$ 16,269	0.51693683	\$ 1,951	\$ 1,009	\$ 1,995	\$ 1,031	\$ 44	\$ 22
332.00 Reservoirs, Dams and Waterways	1,291,391	0.51693683	151,351	78,239	154,709	79,975	3,358	1,736
333.00 Water Wheels, Turbines & Generators	226,751	0.51693683	17,052	8,815	17,414	9,002	362	187
334.00 Accessory Electric Equipment	193,342	0.51693683	10,131	5,237	10,344	5,347	213	110
335.00 Miscellaneous Power Plant Equipment	111,159	0.51693683	13,895	7,183	14,195	7,338	300	155
<b>Total Dayton Hollow</b>	<b>\$ 1,838,912</b>		<b>\$ 194,380</b>	<b>\$ 100,483</b>	<b>\$ 198,657</b>	<b>\$ 102,693</b>	<b>\$ 4,277</b>	<b>\$ 2,210</b>
<b>Taplin Gorge</b>								
331.00 Structures and Improvements	\$ 35,140	0.51693683	\$ 365	\$ 189	\$ 376	\$ 194	\$ 11	\$ 5
332.00 Reservoirs, Dams and Waterways	602,762	0.51693683	42,917	22,185	43,821	22,653	904	468
333.00 Water Wheels, Turbines & Generators	15,110	0.51693683	136	70	139	72	3	2
334.00 Accessory Electric Equipment	58,695	0.51693683	2,688	1,390	2,747	1,420	59	30
335.00 Miscellaneous Power Plant Equipment	103,632	0.51693683	10,249	5,298	10,477	5,416	228	118
<b>Total Taplin Gorge</b>	<b>\$ 815,339</b>		<b>\$ 56,355</b>	<b>\$ 29,132</b>	<b>\$ 57,560</b>	<b>\$ 29,755</b>	<b>\$ 1,205</b>	<b>\$ 623</b>
<b>Bemidji</b>								
331.00 Structures and Improvements	\$ 199,805	0.51693683	\$ 17,903	\$ 9,255	\$ 18,302	\$ 9,461	\$ 399	\$ 206
332.00 Reservoirs, Dams and Waterways	816,220	0.51693683	77,133	39,873	79,745	41,223	2,612	1,350
333.00 Water Wheels, Turbines & Generators	322,687	0.51693683	21,426	11,076	21,910	11,326	484	250
334.00 Accessory Electric Equipment	5,376	0.51693683	356	184	364	188	8	4
335.00 Miscellaneous Power Plant Equipment	1,070	0.51693683	119	62	121	63	2	1
<b>Total Bemidji</b>	<b>\$ 1,345,158</b>		<b>\$ 116,937</b>	<b>\$ 60,450</b>	<b>\$ 120,442</b>	<b>\$ 62,261</b>	<b>\$ 3,505</b>	<b>\$ 1,811</b>
<b>OTHER PRODUCTION</b>								
<b>Jamestown</b>								
341.00 Structures and Improvements	\$ 305,657	0.51693683	\$ 12,152	\$ 6,281	\$ 12,309	\$ 6,363	\$ 157	\$ 82
342.00 Fuel Holders and Accessories	415,964	0.51693683	26,206	13,547	26,483	13,690	277	143
343.00 Prime Movers	6,645,516	0.51693683	146,383	75,671	147,998	76,505	1,615	834
344.00 Generators								
345.00 Accessory Electric Equipment	227,505	0.51693683	9,995	5,166	12,751	6,591	2,756	1,425
346.00 Miscellaneous Power Plant Equipment	90,235	0.51693683	5,532	2,860	7,100	3,670	1,568	810
<b>Total Jamestown</b>	<b>\$ 7,684,877</b>		<b>\$ 200,268</b>	<b>\$ 103,525</b>	<b>\$ 206,641</b>	<b>\$ 106,819</b>	<b>\$ 6,373</b>	<b>\$ 3,294</b>

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Statement B

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<b>Jamestown Unit 1</b>									
341.00 Structures and Improvements	\$ 280,804	0.51693683	\$ 10,474	\$ 5,414	\$ 10,614	\$ 5,487	\$ 140	\$ 73	
342.00 Fuel Holders and Accessories	379,195	0.51693683	25,254	13,055	25,520	13,192	266	137	
343.00 Prime Movers	2,862,225	0.51693683	72,987	37,730	73,845	38,173	858	443	
344.00 Generators									
345.00 Accessory Electric Equipment	155,272	0.51693683	5,574	2,881	5,636	2,913	62	32	
346.00 Miscellaneous Power Plant Equipment	85,462	0.51693683	5,290	2,735	7,136	3,689	1,846	954	
<b>Total Jamestown Unit 1</b>	<b>\$ 3,762,958</b>		<b>\$ 119,579</b>	<b>\$ 61,815</b>	<b>\$ 122,751</b>	<b>\$ 63,454</b>	<b>\$ 3,172</b>	<b>\$ 1,639</b>	
<b>Jamestown Unit 2</b>									
341.00 Structures and Improvements	\$ 24,853	0.51693683	\$ 1,678	\$ 867	\$ 1,695	\$ 876	\$ 17	\$ 9	
342.00 Fuel Holders and Accessories	36,769	0.51693683	952	492	963	498	11	6	
343.00 Prime Movers	3,783,291	0.51693683	73,396	37,941	74,153	38,332	757	391	
344.00 Generators									
345.00 Accessory Electric Equipment	72,233	0.51693683	4,421	2,285	7,115	3,678	2,694	1,393	
346.00 Miscellaneous Power Plant Equipment	4,773	0.51693683	242	125	(36)	(19)	(278)	(144)	
<b>Total Jamestown Unit 2</b>	<b>\$ 3,921,919</b>		<b>\$ 80,689</b>	<b>\$ 41,710</b>	<b>\$ 83,890</b>	<b>\$ 43,365</b>	<b>\$ 3,201</b>	<b>\$ 1,655</b>	
<b>Lake Preston</b>									
341.00 Structures and Improvements	\$ 229,834	0.51693683	\$ 6,964	\$ 3,600	\$ 7,033	\$ 3,636	\$ 69	\$ 36	
342.00 Fuel Holders and Accessories	328,705	0.51693683	11,505	5,947	11,603	5,998	98	51	
343.00 Prime Movers	3,172,066	0.51693683	59,318	30,664	59,952	30,991	634	327	
344.00 Generators									
345.00 Accessory Electric Equipment	369,280	0.51693683	5,982	3,092	6,056	3,131	74	39	
346.00 Miscellaneous Power Plant Equipment	21,607	0.51693683	352	182	357	185	5	3	
<b>Total Lake Preston</b>	<b>\$ 4,121,492</b>		<b>\$ 84,121</b>	<b>\$ 43,485</b>	<b>\$ 85,001</b>	<b>\$ 43,941</b>	<b>\$ 880</b>	<b>\$ 456</b>	
<b>Ashtabula Wind Generation</b>									
341.00 Structures and Improvements	\$ 3,248,290	0.51784884	\$ 138,702	\$ 71,827	\$ 139,027	\$ 71,995	\$ 325	\$ 168	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	106,840,446	0.51784884	4,626,191	2,395,668	4,658,243	2,412,266	32,052	16,598	
345.00 Accessory Electric Equipment	6,372,808	0.51784884	274,031	141,907	274,031	141,907			
346.00 Miscellaneous Power Plant Equipment	28,417	0.51784884	1,455	753	1,455	753			
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,489,961</b>		<b>\$ 5,040,379</b>	<b>\$ 2,610,155</b>	<b>\$ 5,072,756</b>	<b>\$ 2,626,921</b>	<b>\$ 32,377</b>	<b>\$ 16,766</b>	
<b>Langdon Wind Generation</b>									
341.00 Structures and Improvements	\$ 2,484,069	0.51784884	\$ 107,312	\$ 55,571	\$ 107,312	\$ 55,571	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	69,183,864	0.51784884	3,037,172	1,572,796	3,037,172	1,572,796			
345.00 Accessory Electric Equipment	7,407,275	0.51784884	325,920	168,777	325,920	168,777			
346.00 Miscellaneous Power Plant Equipment	65,210	0.51784884	3,495	1,810	3,502	1,814	7	4	
<b>Total Langdon Wind Generation</b>	<b>\$ 79,140,418</b>		<b>\$ 3,473,899</b>	<b>\$ 1,798,954</b>	<b>\$ 3,473,906</b>	<b>\$ 1,798,958</b>	<b>\$ 7</b>	<b>\$ 4</b>	

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals  
Current: VG Procedure / RL Technique  
Updated: VG Procedure / RL Technique

Account Description A	12/31/15 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
<b><u>Luverne Wind Generation</u></b>									
341.00 Structures and Improvements	\$ 2,266,581	0.51784884	\$ 96,783	\$ 50,119	\$ 96,783	\$ 50,119	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,488,631	0.51784884	2,829,109	1,465,051	2,835,658	1,468,442	6,549	3,391	
345.00 Accessory Electric Equipment	4,863,837	0.51784884	207,686	107,550	207,686	107,550			
346.00 Miscellaneous Power Plant Equipment	74,045	0.51784884	3,747	1,940	3,747	1,940			
<b>Total Luverne Wind Generation</b>	<b>\$ 72,693,094</b>		<b>\$ 3,137,325</b>	<b>\$ 1,624,660</b>	<b>\$ 3,143,874</b>	<b>\$ 1,628,051</b>	<b>\$ 6,549</b>	<b>\$ 3,391</b>	
<b><u>Solway Combustion Turbine</u></b>									
341.00 Structures and Improvements	\$ 4,411,779	0.51693683	\$ 131,471	\$ 67,962	\$ 131,471	\$ 67,962	\$ -	\$ -	
342.00 Fuel Holders and Accessories	1,003,596	0.51693683	29,506	15,253	29,405	15,201	(101)	(52)	
343.00 Prime Movers	21,488,294	0.51693683	640,351	331,021	648,946	335,464	8,595	4,443	
344.00 Generators									
345.00 Accessory Electric Equipment	1,305,578	0.51693683	38,515	19,910	40,995	21,192	2,480	1,282	
346.00 Miscellaneous Power Plant Equipment	326,153	0.51693683	10,013	5,176	10,013	5,176			
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,535,400</b>		<b>\$ 849,856</b>	<b>\$ 439,322</b>	<b>\$ 860,830</b>	<b>\$ 444,995</b>	<b>\$ 10,974</b>	<b>\$ 5,673</b>	
<b><u>Fergus Falls Control Center</u></b>									
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	591,638	0.51693683	17,986	9,298	18,045	9,328	59	30	
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
<b>Total Fergus Falls Control Center</b>	<b>\$ 591,638</b>		<b>\$ 17,986</b>	<b>\$ 9,298</b>	<b>\$ 18,045</b>	<b>\$ 9,328</b>	<b>\$ 59</b>	<b>\$ 30</b>	

**OTTER TAIL POWER COMPANY**  
 Depreciation Reserve Summary  
 Vintage Group Procedure  
 December 31, 2015

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
<b>STEAM PRODUCTION</b>							
311.00 Structures and Improvements	\$ 124,286,056	\$ 48,168,882	38.76%	\$ 37,786,278	30.40%	\$ 10,382,604	21.55%
312.00 Boiler Plant Equipment	315,197,161	111,776,563	35.46%	98,838,398	31.36%	12,938,164	11.58%
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	2,331,763	33.40%	792,056	11.35%	1,539,707	66.03%
314.00 Turbogenerator Units	65,472,261	40,426,334	61.75%	31,989,447	48.86%	8,436,886	20.87%
315.00 Accessory Electric Equipment	36,595,822	16,924,678	46.25%	13,222,681	36.13%	3,701,998	21.87%
316.00 Miscellaneous Power Plant Equipment	6,238,030	3,285,952	52.68%	2,702,843	43.33%	583,109	17.75%
<b>Total Steam Production Plant</b>	<b>\$ 554,770,006</b>	<b>\$ 222,914,172</b>	<b>40.18%</b>	<b>\$ 185,331,704</b>	<b>33.41%</b>	<b>\$ 37,582,468</b>	<b>16.86%</b>
<b>HYDRAULIC PRODUCTION</b>							
331.00 Structures and Improvements	\$ 351,712	\$ 232,252	66.03%	\$ 246,046	69.96%	\$ (13,794)	-5.94%
332.00 Reservoirs, Dams and Waterways	4,277,055	1,951,421	45.63%	2,408,481	56.31%	(457,060)	-23.42%
333.00 Water Wheels, Turbines & Generators	1,373,867	949,768	69.13%	765,604	55.73%	184,164	19.39%
334.00 Accessory Electric Equipment	592,400	412,050	69.56%	429,376	72.48%	(17,326)	-4.20%
335.00 Miscellaneous Power Plant Equipment	442,624	164,516	37.17%	205,062	46.33%	(40,547)	-24.65%
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,037,658</b>	<b>\$ 3,710,007</b>	<b>52.72%</b>	<b>\$ 4,054,570</b>	<b>57.61%</b>	<b>\$ (344,563)</b>	<b>-9.29%</b>
<b>OTHER PRODUCTION</b>							
341.00 Structures and Improvements	\$ 12,946,210	\$ 4,224,111	32.63%	\$ 4,290,308	33.14%	\$ (66,197)	-1.57%
342.00 Fuel Holders and Accessories	1,748,265	839,554	48.02%	829,289	47.43%	10,265	1.22%
343.00 Prime Movers	31,897,514	16,172,104	50.70%	15,576,219	48.83%	595,886	3.68%
344.00 Generators	241,512,941	65,109,184	26.96%	71,545,748	29.62%	(6,436,564)	-9.89%
345.00 Accessory Electric Equipment	20,546,283	6,105,810	29.72%	6,469,538	31.49%	(363,729)	-5.96%
346.00 Miscellaneous Power Plant Equipment	605,667	188,548	31.13%	187,650	30.98%	898	0.48%
<b>Total Other Production Plant</b>	<b>\$ 309,256,880</b>	<b>\$ 92,639,311</b>	<b>29.96%</b>	<b>\$ 98,898,751</b>	<b>31.98%</b>	<b>\$ (6,259,440)</b>	<b>-6.76%</b>
<b>TRANSMISSION PLANT</b>							
353.00 Station Equipment	\$ 85,468,068	\$ 19,070,943	22.31%	\$ 19,646,610	22.99%	\$ (575,666)	-3.02%
354.00 Towers and Fixtures	85,885,043	4,645,065	5.41%	4,791,158	5.58%	(146,094)	-3.15%
355.00 Poles and Fixtures	107,218,331	46,666,786	43.53%	40,681,402	37.94%	5,985,384	12.83%
356.00 Overhead Conductors and Devices	102,215,587	37,479,558	36.67%	31,534,418	30.85%	5,945,140	15.86%
358.00 Underground Conductors and Devices	77,461	71,452	92.24%	62,846	81.13%	8,605	12.04%
<b>Total Transmission Plant</b>	<b>\$ 380,864,490</b>	<b>\$ 107,933,803</b>	<b>28.34%</b>	<b>\$ 96,716,435</b>	<b>25.39%</b>	<b>\$ 11,217,368</b>	<b>10.39%</b>
<b>DISTRIBUTION PLANT</b>							
362.00 Station Equipment	\$ 75,495,956	\$ 20,315,547	26.91%	\$ 16,412,018	21.74%	\$ 3,903,529	19.21%
364.00 Poles, Towers and Fixtures	69,428,763	39,199,927	56.46%	35,816,483	51.59%	3,383,444	8.63%
365.00 Overhead Conductors and Devices	49,145,272	38,461,822	78.26%	33,235,807	67.63%	5,226,015	13.59%

**OTTER TAIL POWER COMPANY**  
 Depreciation Reserve Summary  
 Vintage Group Procedure  
 December 31, 2015

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount	Ratio	Amount	Ratio	Amount	Multiple
A	B	C	D=C/B	E	F=E/B	G=C-E	H=G/C
367.00 Underground Conductors and Devices	71,676,278	34,057,834	47.52%	29,444,095	41.08%	4,613,740	13.55%
368.00 Line Transformers	89,762,013	13,295,616	14.81%	12,384,720	13.80%	910,896	6.85%
369.00 Overhead Services	12,837,241	14,631,437	113.98%	12,984,078	101.14%	1,647,360	11.26%
369.10 Underground Services	39,609,183	16,533,211	41.74%	15,906,855	40.16%	626,356	3.79%
370.00 Meters	24,243,214	8,194,870	33.80%	7,377,159	30.43%	817,711	9.98%
370.10 Load Management Switches	8,681,054	6,528,489	75.20%	7,186,023	82.78%	(657,534)	-10.07%
370.20 Interruption Monitors	36,582	31,704	86.67%	32,924	90.00%	(1,220)	-3.85%
371.20 Other Private Lighting	4,482,178	1,091,142	24.34%	1,081,021	24.12%	10,121	0.93%
373.00 Street Lighting and Signal Systems	5,156,980	2,775,730	53.82%	1,843,553	35.75%	932,177	33.58%
<b>Total Distribution Plant</b>	<b>\$ 450,554,714</b>	<b>\$ 195,117,328</b>	<b>43.31%</b>	<b>\$ 173,704,735</b>	<b>38.55%</b>	<b>\$ 21,412,594</b>	<b>10.97%</b>
<b>GENERAL PLANT</b>							
<b>Depreciable</b>							
390.00 Structures and Improvements	\$ 19,735,934	\$ 5,394,392	27.33%	\$ 6,780,458	34.36%	\$ (1,386,066)	-25.69%
390.10 General Office Buildings	5,712,599	2,446,088	42.82%	1,360,957	23.82%	1,085,131	44.36%
390.20 Fleet Service Center Building	937,678	493,191	52.60%	384,295	40.98%	108,896	22.08%
390.30 Central Stores Building	4,026,350	1,892,161	46.99%	158,054	3.93%	1,734,107	91.65%
396.00 Power Operated Equipment	605,062	216,353	35.76%	178,984	29.58%	37,369	17.27%
397.40 Communication Towers	1,888,762	854,487	45.24%	726,935	38.49%	127,553	14.93%
<b>Total Depreciable</b>	<b>\$ 32,906,385</b>	<b>\$ 11,296,673</b>	<b>34.33%</b>	<b>\$ 9,589,683</b>	<b>29.14%</b>	<b>\$ 1,706,990</b>	<b>15.11%</b>
<b>Amortizable</b>							
391.00 Office Furniture	\$ 1,315,610	\$ 823,448	62.59%	\$ 832,762	63.30%	\$ (9,314)	-1.13%
391.10 Office Equipment	808,231	513,995	63.60%	528,201	65.35%	(14,206)	-2.76%
391.20 Duplicating Equipment	433,343	288,196	66.51%	298,224	68.82%	(10,028)	-3.48%
391.50 Computer Systems	4,837,066	3,114,539	64.39%	3,505,382	72.47%	(390,843)	-12.55%
391.60 Computer Related Equipment	2,087,637	1,350,464	64.69%	1,525,608	73.08%	(175,144)	-12.97%
394.00 Tools, Shop and Garage Equipment	3,927,992	1,591,786	40.52%	1,614,495	41.10%	(22,709)	-1.43%
394.20 Automated Meter Reading Equipment	617,570	339,897	55.04%	335,902	54.39%	3,995	1.18%
397.00 Communication Equipment	873,580	365,060	41.79%	379,002	43.38%	(13,942)	-3.82%
397.10 Radio Telecommunication Equipment	1,206,997	596,480	49.42%	623,437	51.65%	(26,957)	-4.52%
397.20 Microwave Equipment	4,625,643	2,182,086	47.17%	2,253,551	48.72%	(71,465)	-3.28%
397.30 Radio Load Control Equipment	317,859	130,770	41.14%	146,111	45.97%	(15,341)	-11.73%
<b>Total Amortizable</b>	<b>\$ 21,051,528</b>	<b>\$ 11,296,721</b>	<b>53.66%</b>	<b>\$ 12,042,675</b>	<b>57.21%</b>	<b>\$ (745,954)</b>	<b>-6.60%</b>
<b>Total General Plant</b>	<b>\$ 53,957,913</b>	<b>\$ 22,593,394</b>	<b>41.87%</b>	<b>\$ 21,632,358</b>	<b>40.09%</b>	<b>\$ 961,036</b>	<b>4.25%</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,756,441,661</b>	<b>\$ 644,908,015</b>	<b>36.72%</b>	<b>\$ 580,338,553</b>	<b>33.04%</b>	<b>\$ 64,569,463</b>	<b>10.01%</b>

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2015

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
<b>STEAM PRODUCTION</b>							
<b>Big Stone</b>							
311.00 Structures and Improvements	\$ 84,848,400	\$ 18,484,254	21.79%	\$ 12,895,867	15.20%	\$ 5,588,387	30.23%
312.00 Boiler Plant Equipment	184,717,394	24,348,898	13.18%	23,629,352	12.79%	719,546	2.96%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	29,971,009	17,473,549	58.30%	11,045,900	36.86%	6,427,649	36.79%
315.00 Accessory Electric Equipment	21,986,160	6,538,514	29.74%	4,468,602	20.32%	2,069,911	31.66%
316.00 Miscellaneous Power Plant Equipment	3,091,711	1,492,257	48.27%	1,035,472	33.49%	456,785	30.61%
<b>Total Big Stone</b>	<b>\$ 324,614,674</b>	<b>\$ 68,337,472</b>	<b>21.05%</b>	<b>\$ 53,075,193</b>	<b>16.35%</b>	<b>\$ 15,262,279</b>	<b>22.33%</b>
<b>Hoot Lake Units 2 and 3</b>							
311.00 Structures and Improvements	\$ 6,084,167	\$ 5,947,808	97.76%	\$ 5,769,491	94.83%	\$ 178,317	3.00%
312.00 Boiler Plant Equipment	38,203,868	26,268,744	68.76%	26,183,013	68.53%	85,730	0.33%
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	2,331,763	33.40%	792,056	11.35%	1,539,707	66.03%
314.00 Turbogenerator Units	11,555,862	10,233,087	88.55%	9,994,296	86.49%	238,791	2.33%
315.00 Accessory Electric Equipment	2,766,673	2,534,767	91.62%	2,452,641	88.65%	82,126	3.24%
316.00 Miscellaneous Power Plant Equipment	1,157,884	832,807	71.92%	832,781	71.92%	26	0.00%
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,749,130</b>	<b>\$ 48,148,975</b>	<b>72.13%</b>	<b>\$ 46,024,278</b>	<b>68.95%</b>	<b>\$ 2,124,698</b>	<b>4.41%</b>
<b>Coyote</b>							
311.00 Structures and Improvements	\$ 33,353,489	\$ 23,736,820	71.17%	\$ 19,120,920	57.33%	\$ 4,615,900	19.45%
312.00 Boiler Plant Equipment	92,275,899	61,158,921	66.28%	49,026,034	53.13%	12,132,888	19.84%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	23,945,390	12,719,697	53.12%	10,949,251	45.73%	1,770,446	13.92%
315.00 Accessory Electric Equipment	11,842,989	7,851,397	66.30%	6,301,437	53.21%	1,549,961	19.74%
316.00 Miscellaneous Power Plant Equipment	1,988,435	960,888	48.32%	834,591	41.97%	126,298	13.14%
<b>Total Coyote</b>	<b>\$ 163,406,202</b>	<b>\$ 106,427,724</b>	<b>65.13%</b>	<b>\$ 86,232,233</b>	<b>52.77%</b>	<b>\$ 20,195,491</b>	<b>18.98%</b>
<b>HYDRAULIC PRODUCTION</b>							
<b>Hoot Lake</b>							
331.00 Structures and Improvements	\$ 69,354	\$ 68,300	98.48%	\$ 63,162	91.07%	\$ 5,138	7.52%
332.00 Reservoirs, Dams and Waterways	297,674	257,278	86.43%	243,244	81.71%	14,034	5.45%
333.00 Water Wheels, Turbines & Generators	104,195	94,586	90.78%	88,427	84.87%	6,159	6.51%
334.00 Accessory Electric Equipment	34,651	30,253	87.31%	28,484	82.20%	1,769	5.85%
335.00 Miscellaneous Power Plant Equipment	48,801	13,636	27.94%	18,896	38.72%	(5,260)	-38.58%
<b>Total Hoot Lake</b>	<b>\$ 554,675</b>	<b>\$ 464,053</b>	<b>83.66%</b>	<b>\$ 442,214</b>	<b>79.72%</b>	<b>\$ 21,839</b>	<b>4.71%</b>

**OTTER TAIL POWER COMPANY**  
Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2015

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
<b>Wright</b>							
331.00 Structures and Improvements	\$ 19,026	\$ 15,382	80.85%	\$ 15,640	82.20%	\$ (258)	-1.68%
332.00 Reservoirs, Dams and Waterways	892,711	313,596	35.13%	521,804	58.45%	(208,207)	-66.39%
333.00 Water Wheels, Turbines & Generators	545,392	414,420	75.99%	213,310	39.11%	201,111	48.53%
334.00 Accessory Electric Equipment	200,524	134,480	67.06%	138,946	69.29%	(4,465)	-3.32%
335.00 Miscellaneous Power Plant Equipment	115,218	55,167	47.88%	63,292	54.93%	(8,125)	-14.73%
<b>Total Wright</b>	<b>\$ 1,772,871</b>	<b>\$ 933,046</b>	<b>52.63%</b>	<b>\$ 952,992</b>	<b>53.75%</b>	<b>\$ (19,946)</b>	<b>-2.14%</b>
<b>Pisgah</b>							
331.00 Structures and Improvements	\$ 12,118	\$ 10,267	84.73%	\$ 10,408	85.89%	\$ (141)	-1.37%
332.00 Reservoirs, Dams and Waterways	376,297	189,911	50.47%	217,887	57.90%	(27,976)	-14.73%
333.00 Water Wheels, Turbines & Generators	159,732	91,716	57.42%	96,534	60.43%	(4,818)	-5.25%
334.00 Accessory Electric Equipment	99,812	63,396	63.52%	68,982	69.11%	(5,586)	-8.81%
335.00 Miscellaneous Power Plant Equipment	62,744	15,261	24.32%	24,064	38.35%	(8,803)	-57.68%
<b>Total Pisgah</b>	<b>\$ 710,703</b>	<b>\$ 370,552</b>	<b>52.14%</b>	<b>\$ 417,875</b>	<b>58.80%</b>	<b>\$ (47,324)</b>	<b>-12.77%</b>
<b>Dayton Hollow</b>							
331.00 Structures and Improvements	\$ 16,269	\$ 5,379	33.06%	\$ 7,324	45.02%	\$ (1,944)	-36.15%
332.00 Reservoirs, Dams and Waterways	1,291,391	446,411	34.57%	563,163	43.61%	(116,752)	-26.15%
333.00 Water Wheels, Turbines & Generators	226,751	131,623	58.05%	130,399	57.51%	1,224	0.93%
334.00 Accessory Electric Equipment	193,342	136,830	70.77%	143,877	74.42%	(7,047)	-5.15%
335.00 Miscellaneous Power Plant Equipment	111,159	33,624	30.25%	43,058	38.74%	(9,434)	-28.06%
<b>Total Dayton Hollow</b>	<b>\$ 1,838,912</b>	<b>\$ 753,866</b>	<b>41.00%</b>	<b>\$ 887,820</b>	<b>48.28%</b>	<b>\$ (133,954)</b>	<b>-17.77%</b>
<b>Taplin Gorge</b>							
331.00 Structures and Improvements	\$ 35,140	\$ 33,096	94.18%	\$ 32,561	92.66%	\$ 534	1.61%
332.00 Reservoirs, Dams and Waterways	602,762	363,340	60.28%	391,034	64.87%	(27,694)	-7.62%
333.00 Water Wheels, Turbines & Generators	15,110	14,349	94.96%	14,105	93.35%	244	1.70%
334.00 Accessory Electric Equipment	58,695	43,701	74.45%	44,183	75.28%	(482)	-1.10%
335.00 Miscellaneous Power Plant Equipment	103,632	46,420	44.79%	55,201	53.27%	(8,781)	-18.92%
<b>Total Taplin Gorge</b>	<b>\$ 815,339</b>	<b>\$ 500,906</b>	<b>61.44%</b>	<b>\$ 537,084</b>	<b>65.87%</b>	<b>\$ (36,178)</b>	<b>-7.22%</b>

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
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Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount	Ratio	Amount	Ratio	Amount	Multiple
A	B	C	D=C/B	E	F=E/B	G=C-E	H=G/C
<b>Bemidji</b>							
331.00 Structures and Improvements	\$ 199,805	\$ 99,828	49.96%	\$ 116,950	58.53%	\$ (17,122)	-17.15%
332.00 Reservoirs, Dams and Waterways	816,220	380,886	46.66%	471,351	57.75%	(90,465)	-23.75%
333.00 Water Wheels, Turbines & Generators	322,687	203,074	62.93%	222,830	69.05%	(19,756)	-9.73%
334.00 Accessory Electric Equipment	5,376	3,390	63.05%	4,904	91.21%	(1,514)	-44.66%
335.00 Miscellaneous Power Plant Equipment	1,070	408	38.10%	551	51.47%	(143)	-35.10%
<b>Total Bemidji</b>	<b>\$ 1,345,158</b>	<b>\$ 687,585</b>	<b>51.12%</b>	<b>\$ 816,585</b>	<b>60.71%</b>	<b>\$ (129,000)</b>	<b>-18.76%</b>
<b>OTHER PRODUCTION</b>							
<b>Jamestown</b>							
341.00 Structures and Improvements	\$ 305,657	\$ 218,564	71.51%	\$ 212,308	69.46%	\$ 6,256	2.86%
342.00 Fuel Holders and Accessories	415,964	224,999	54.09%	231,750	55.71%	(6,751)	-3.00%
343.00 Prime Movers	6,645,516	5,639,042	84.85%	5,308,086	79.87%	330,956	5.87%
344.00 Generators							
345.00 Accessory Electric Equipment	227,505	135,962	59.76%	160,734	70.65%	(24,772)	-18.22%
346.00 Miscellaneous Power Plant Equipment	90,235	38,738	42.93%	39,715	44.01%	(977)	-2.52%
<b>Total Jamestown</b>	<b>\$ 7,684,877</b>	<b>\$ 6,257,304</b>	<b>81.42%</b>	<b>\$ 5,952,593</b>	<b>77.46%</b>	<b>\$ 304,712</b>	<b>4.87%</b>
<b>Jamestown Unit 1</b>							
341.00 Structures and Improvements	\$ 280,804	\$ 205,964	73.35%	\$ 198,109	70.55%	\$ 7,856	3.81%
342.00 Fuel Holders and Accessories	379,195	194,874	51.39%	205,338	54.15%	(10,464)	-5.37%
343.00 Prime Movers	2,862,225	2,353,617	82.23%	2,226,732	77.80%	126,886	5.39%
344.00 Generators							
345.00 Accessory Electric Equipment	155,272	115,577	74.43%	132,631	85.42%	(17,055)	-14.76%
346.00 Miscellaneous Power Plant Equipment	85,462	33,632	39.35%	35,698	41.77%	(2,067)	-6.14%
<b>Total Jamestown Unit 1</b>	<b>\$ 3,762,958</b>	<b>\$ 2,903,664</b>	<b>77.16%</b>	<b>\$ 2,798,508</b>	<b>74.37%</b>	<b>\$ 105,157</b>	<b>3.62%</b>
<b>Jamestown Unit 2</b>							
341.00 Structures and Improvements	\$ 24,853	\$ 12,600	50.70%	\$ 14,200	57.13%	\$ (1,600)	-12.70%
342.00 Fuel Holders and Accessories	36,769	30,125	81.93%	26,412	71.83%	3,712	12.32%
343.00 Prime Movers	3,783,291	3,285,425	86.84%	3,081,354	81.45%	204,070	6.21%
344.00 Generators							
345.00 Accessory Electric Equipment	72,233	20,385	28.22%	28,102	38.91%	(7,717)	-37.86%
346.00 Miscellaneous Power Plant Equipment	4,773	5,106	106.97%	4,016	84.15%	1,089	21.33%
<b>Total Jamestown Unit 2</b>	<b>\$ 3,921,919</b>	<b>\$ 3,353,640</b>	<b>85.51%</b>	<b>\$ 3,154,085</b>	<b>80.42%</b>	<b>\$ 199,555</b>	<b>5.95%</b>

**OTTER TAIL POWER COMPANY**  
 Depreciation Reserve Summary  
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Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
<b>Lake Preston</b>							
341.00 Structures and Improvements	\$ 229,834	\$ 183,142	79.68%	\$ 175,383	76.31%	\$ 7,760	4.24%
342.00 Fuel Holders and Accessories	328,705	250,328	76.16%	247,524	75.30%	2,804	1.12%
343.00 Prime Movers	3,172,066	2,803,408	88.38%	2,632,444	82.99%	170,964	6.10%
344.00 Generators							
345.00 Accessory Electric Equipment	369,280	333,237	90.24%	311,369	84.32%	21,868	6.56%
346.00 Miscellaneous Power Plant Equipment	21,607	19,476	90.14%	18,358	84.96%	1,118	5.74%
<b>Total Lake Preston</b>	<b>\$ 4,121,492</b>	<b>\$ 3,589,591</b>	<b>87.09%</b>	<b>\$ 3,385,077</b>	<b>82.13%</b>	<b>\$ 204,514</b>	<b>5.70%</b>
<b>Ashtabula Wind Generation</b>							
341.00 Structures and Improvements	\$ 3,248,290	\$ 910,772	28.04%	\$ 971,700	29.91%	\$ (60,928)	-6.69%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	106,840,446	28,469,094	26.65%	31,487,216	29.47%	(3,018,122)	-10.60%
345.00 Accessory Electric Equipment	6,372,808	1,762,043	27.65%	1,885,708	29.59%	(123,665)	-7.02%
346.00 Miscellaneous Power Plant Equipment	28,417	3,872	13.62%	4,709	16.57%	(837)	-21.62%
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,489,961</b>	<b>\$ 31,145,781</b>	<b>26.74%</b>	<b>\$ 34,349,333</b>	<b>29.49%</b>	<b>\$ (3,203,552)</b>	<b>-10.29%</b>
<b>Langdon Wind Generation</b>							
341.00 Structures and Improvements	\$ 2,484,069	\$ 787,681	31.71%	\$ 845,487	34.04%	\$ (57,805)	-7.34%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	69,183,864	21,075,753	30.46%	23,200,019	33.53%	(2,124,266)	-10.08%
345.00 Accessory Electric Equipment	7,407,275	2,251,077	30.39%	2,418,522	32.65%	(167,444)	-7.44%
346.00 Miscellaneous Power Plant Equipment	65,210	9,651	14.80%	11,026	16.91%	(1,375)	-14.24%
<b>Total Langdon Wind Generation</b>	<b>\$ 79,140,418</b>	<b>\$ 24,124,163</b>	<b>30.48%</b>	<b>\$ 26,475,053</b>	<b>33.45%</b>	<b>\$ (2,350,890)</b>	<b>-9.74%</b>
<b>Luverne Wind Generation</b>							
341.00 Structures and Improvements	\$ 2,266,581	\$ 563,888	24.88%	\$ 590,600	26.06%	\$ (26,712)	-4.74%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	65,488,631	15,564,337	23.77%	16,858,513	25.74%	(1,294,176)	-8.32%
345.00 Accessory Electric Equipment	4,863,837	1,208,192	24.84%	1,265,841	26.03%	(57,649)	-4.77%
346.00 Miscellaneous Power Plant Equipment	74,045	7,863	10.62%	9,211	12.44%	(1,348)	-17.14%
<b>Total Luverne Wind Generation</b>	<b>\$ 72,693,094</b>	<b>\$ 17,344,280</b>	<b>23.86%</b>	<b>\$ 18,724,165</b>	<b>25.76%</b>	<b>\$ (1,379,885)</b>	<b>-7.96%</b>

**OTTER TAIL POWER COMPANY**  
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Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
<b>Solway Combustion Turbine</b>							
341.00 Structures and Improvements	\$ 4,411,779	\$ 1,560,064	35.36%	\$ 1,494,831	33.88%	\$ 65,233	4.18%
342.00 Fuel Holders and Accessories	1,003,596	364,228	36.29%	350,015	34.88%	14,213	3.90%
343.00 Prime Movers	21,488,294	7,394,455	34.41%	7,290,082	33.93%	104,373	1.41%
344.00 Generators							
345.00 Accessory Electric Equipment	1,305,578	415,298	31.81%	427,365	32.73%	(12,066)	-2.91%
346.00 Miscellaneous Power Plant Equipment	326,153	108,948	33.40%	104,631	32.08%	4,316	3.96%
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,535,400</b>	<b>\$ 9,842,993</b>	<b>34.49%</b>	<b>\$ 9,666,924</b>	<b>33.88%</b>	<b>\$ 176,069</b>	<b>1.79%</b>
<b>Fergus Falls Control Center</b>							
341.00 Structures and Improvements	\$ -	\$ -		\$ -		\$ -	
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	591,638	335,199	56.66%	345,606	58.42%	(10,407)	-3.10%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
<b>Total Fergus Falls Control Center</b>	<b>\$ 591,638</b>	<b>\$ 335,199</b>	<b>56.66%</b>	<b>\$ 345,606</b>	<b>58.42%</b>	<b>\$ (10,407)</b>	<b>-3.10%</b>

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D	Total I=G+H	
<b>STEAM PRODUCTION</b>									
311.00 Structures and Improvements	\$ 126,250,011	\$ 1,983,955	\$ 124,286,056	-27.1%	-7.0%	\$ (532,118)	\$ (8,888,219)	\$ (9,200,337)	-7.3%
312.00 Boiler Plant Equipment	377,114,382	61,917,221	315,197,161	-14.0%	-7.5%	(8,666,506)	(23,587,367)	(32,253,873)	-8.6%
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676		6,980,676						
314.00 Turbogenerator Units	81,469,831	15,997,670	65,472,261	19.5%	-8.0%	3,116,501	(5,243,434)	(2,126,933)	-2.6%
315.00 Accessory Electric Equipment	38,462,202	1,866,380	36,595,822	-10.1%	-7.3%	(188,081)	(2,663,356)	(2,851,439)	-7.4%
316.00 Miscellaneous Power Plant Equipment	8,779,302	2,541,272	6,238,030	8.2%	-7.6%	208,764	(476,291)	(267,528)	-3.0%
<b>Total Steam Production Plant</b>	<b>\$ 639,056,504</b>	<b>\$ 84,286,498</b>	<b>\$ 554,770,006</b>	<b>-7.2%</b>	<b>-7.3%</b>	<b>\$ (6,061,441)</b>	<b>\$ (40,638,669)</b>	<b>\$ (46,700,110)</b>	<b>-7.3%</b>
<b>HYDRAULIC PRODUCTION</b>									
331.00 Structures and Improvements	\$ 363,124	\$ 11,412	\$ 351,712	-2.1%		\$ (240)	\$ -	\$ (240)	-0.1%
332.00 Reservoirs, Dams and Waterways	4,361,532	84,477	4,277,055	88.0%		72,610		72,610	1.7%
333.00 Water Wheels, Turbines & Generators	1,397,890	24,023	1,373,867	-438.0%		(105,221)		(105,221)	-7.5%
334.00 Accessory Electric Equipment	609,547	17,147	592,400	-8.5%		(1,463)		(1,463)	-0.2%
335.00 Miscellaneous Power Plant Equipment	512,735	70,111	442,624	-3.4%		(2,367)		(2,367)	-0.5%
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,244,828</b>	<b>\$ 207,170</b>	<b>\$ 7,037,658</b>	<b>-17.7%</b>		<b>\$ (36,681)</b>	<b>\$ -</b>	<b>\$ (36,681)</b>	<b>-0.5%</b>
<b>OTHER PRODUCTION</b>									
341.00 Structures and Improvements	\$ 12,959,338	\$ 13,128	\$ 12,946,210	-6.7%	-1.1%	\$ (876)	\$ (146,530)	\$ (147,406)	-1.1%
342.00 Fuel Holders and Accessories	1,970,922	222,657	1,748,265	-11.1%	-1.0%	(24,683)	(17,727)	(42,410)	-2.2%
343.00 Prime Movers	32,677,505	779,991	31,897,514	-22.3%	-0.8%	(173,977)	(255,120)	(429,097)	-1.3%
344.00 Generators	244,436,493	2,923,552	241,512,941	-2.4%	-1.5%	(71,044)	(3,560,432)	(3,631,476)	-1.5%
345.00 Accessory Electric Equipment	20,635,259	88,976	20,546,283	9.2%	-1.4%	8,205	(294,722)	(286,517)	-1.4%
346.00 Miscellaneous Power Plant Equipment	658,130	52,463	605,667	26.3%	-1.0%	13,801	(5,887)	7,914	1.2%
<b>Total Other Production Plant</b>	<b>\$ 313,337,647</b>	<b>\$ 4,080,767</b>	<b>\$ 309,256,880</b>	<b>-6.1%</b>	<b>-1.4%</b>	<b>\$ (248,573)</b>	<b>\$ (4,280,418)</b>	<b>\$ (4,528,991)</b>	<b>-1.4%</b>
<b>TRANSMISSION PLANT</b>									
353.00 Station Equipment	\$ 94,984,147	\$ 9,516,079	\$ 85,468,068	37.9%	-5.0%	\$ 3,606,594	\$ (4,273,403)	\$ (666,809)	-0.7%
354.00 Towers and Fixtures	85,885,043		85,885,043		-10.0%		(8,588,504)	(8,588,504)	-10.0%
355.00 Poles and Fixtures	112,557,470	5,339,139	107,218,331	51.3%	-50.0%	2,738,978	(53,609,166)	(50,870,187)	-45.2%
356.00 Overhead Conductors and Devices	107,570,227	5,354,640	102,215,587	48.7%	-30.0%	2,607,710	(30,664,676)	(28,056,966)	-26.1%
358.00 Underground Conductors and Devices	77,956	495	77,461	-368.9%	-5.0%	(1,826)	(3,873)	(5,699)	-7.3%
<b>Total Transmission Plant</b>	<b>\$ 401,074,843</b>	<b>\$ 20,210,353</b>	<b>\$ 380,864,490</b>	<b>44.3%</b>	<b>-25.5%</b>	<b>\$ 8,951,456</b>	<b>\$ (97,139,622)</b>	<b>\$ (88,188,166)</b>	<b>-22.0%</b>
<b>DISTRIBUTION PLANT</b>									
362.00 Station Equipment	\$ 94,983,623	\$ 19,487,667	\$ 75,495,956	16.1%	5.0%	\$ 3,137,514	\$ 3,774,798	\$ 6,912,312	7.3%
364.00 Poles, Towers and Fixtures	72,572,440	3,143,677	69,428,763	-109.4%	-75.0%	(3,439,183)	(52,071,572)	(55,510,755)	-76.5%
365.00 Overhead Conductors and Devices	52,897,807	3,752,535	49,145,272	-76.7%	-100.0%	(2,878,194)	(49,145,272)	(52,023,466)	-98.3%
367.00 Underground Conductors and Devices	76,339,332	4,663,054	71,676,278	-0.4%	-5.0%	(18,652)	(3,583,814)	(3,602,466)	-4.7%
368.00 Line Transformers	101,576,096	11,814,083	89,762,013	37.2%	50.0%	4,394,839	44,881,007	49,275,845	48.5%
369.00 Overhead Services	13,575,830	738,589	12,837,241	-248.8%	-150.0%	(1,837,609)	(19,255,862)	(21,093,471)	-155.4%
369.10 Underground Services	40,114,512	505,329	39,609,183	-37.3%	-20.0%	(188,488)	(7,921,837)	(8,110,324)	-20.2%
370.00 Meters	30,304,854	6,081,640	24,243,214	0.7%		42,431		42,431	0.1%

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/E
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*F	Future H=F*F	Total I=G+H	
370.10 Load Management Switches	10,873,289	2,192,235	8,681,054						
370.20 Interruption Monitors	1,277,033	1,240,451	36,582						
371.20 Other Private Lighting	7,460,213	2,978,035	4,482,178	8.3%	10.0%	247,177	448,218	695,395	9.3%
373.00 Street Lighting and Signal Systems	8,750,009	3,593,029	5,156,980	-2.3%	-5.0%	(82,640)	(257,849)	(340,489)	-3.9%
<b>Total Distribution Plant</b>	<b>\$ 510,725,038</b>	<b>\$ 60,170,324</b>	<b>\$ 450,554,714</b>	<b>-1.0%</b>	<b>-18.5%</b>	<b>\$ (622,804)</b>	<b>\$ (83,132,183)</b>	<b>\$ (83,754,988)</b>	<b>-16.4%</b>
<b>GENERAL PLANT</b>									
<b>Depreciable</b>									
390.00 Structures and Improvements	\$ 23,709,789	\$ 3,973,855	\$ 19,735,934	30.3%	10.0%	\$ 1,204,078	\$ 1,973,593	\$ 3,177,671	13.4%
390.10 General Office Buildings	6,965,009	1,252,410	5,712,599	-12.9%	49.6%	(161,561)	2,833,449	2,671,888	38.4%
390.20 Fleet Service Center Building	1,035,431	97,753	937,678	-47.0%	33.6%	(45,944)	315,060	269,116	26.0%
390.30 Central Stores Building	4,099,690	73,340	4,026,350	-2.6%	92.6%	(1,907)	3,728,400	3,726,493	90.9%
396.00 Power Operated Equipment	1,120,745	515,683	605,062	23.8%	20.0%	122,733	121,012	243,745	21.7%
397.40 Communication Towers	1,998,548	109,786	1,888,762	13.2%	5.0%	14,492	94,438	108,930	5.5%
<b>Total Depreciable</b>	<b>\$ 38,929,212</b>	<b>\$ 6,022,827</b>	<b>\$ 32,906,385</b>	<b>18.8%</b>	<b>27.6%</b>	<b>\$ 1,131,891</b>	<b>\$ 9,065,953</b>	<b>\$ 10,197,844</b>	<b>26.2%</b>
<b>Amortizable</b>									
391.00 Office Furniture	\$ 6,116,610	\$ 4,801,000	\$ 1,315,610			\$ -	\$ -	\$ -	
391.10 Office Equipment	3,004,829	2,196,598	808,231						
391.20 Duplicating Equipment	2,190,091	1,756,748	433,343						
391.50 Computer Systems	13,900,564	9,063,498	4,837,066						
391.60 Computer Related Equipment	11,160,143	9,072,508	2,087,637						
394.00 Tools, Shop and Garage Equipment	7,367,285	3,439,293	3,927,992						
394.20 Automated Meter Reading Equipment	2,097,424	1,479,854	617,570						
397.00 Communication Equipment	2,141,639	1,268,059	873,580						
397.10 Radio Telecommunication Equipment	6,541,973	5,334,976	1,206,997						
397.20 Microwave Equipment	7,553,329	2,927,686	4,625,643						
397.30 Radio Load Control Equipment	1,771,492	1,453,633	317,859						
<b>Total Amortizable</b>	<b>\$ 63,845,379</b>	<b>\$ 42,793,851</b>	<b>\$ 21,051,528</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total General Plant</b>	<b>\$ 102,774,591</b>	<b>\$ 48,816,678</b>	<b>\$ 53,957,913</b>	<b>2.3%</b>	<b>16.8%</b>	<b>\$ 1,131,891</b>	<b>\$ 9,065,953</b>	<b>\$ 10,197,844</b>	<b>9.9%</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,974,213,451</b>	<b>\$ 217,771,790</b>	<b>\$ 1,756,441,661</b>	<b>4.2%</b>	<b>-12.3%</b>	<b>\$ 9,209,602</b>	<b>\$ (216,124,940)</b>	<b>\$ (213,011,092)</b>	<b>-10.8%</b>
<b>STEAM PRODUCTION</b>									
<b>Big Stone</b>									
311.00 Structures and Improvements	\$ 85,884,688	\$ 1,036,288	\$ 84,848,400	-10.4%	-6.0%	\$ (107,774)	\$ (5,090,904)	\$ (5,198,678)	-6.1%
312.00 Boiler Plant Equipment	228,379,589	43,662,195	184,717,394	-12.0%	-6.0%	(5,239,463)	(11,083,044)	(16,322,507)	-7.1%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	36,494,094	6,523,085	29,971,009	15.7%	-6.0%	1,024,124	(1,798,261)	(774,136)	-2.1%
315.00 Accessory Electric Equipment	22,888,945	902,785	21,986,160	-15.8%	-6.0%	(142,640)	(1,319,170)	(1,461,810)	-6.4%
316.00 Miscellaneous Power Plant Equipment	4,329,825	1,238,114	3,091,711	2.6%	-5.6%	32,191	(173,136)	(140,945)	-3.3%
<b>Total Big Stone</b>	<b>\$ 377,977,141</b>	<b>\$ 53,362,467</b>	<b>\$ 324,614,674</b>	<b>-8.3%</b>	<b>-6.0%</b>	<b>\$ (4,433,562)</b>	<b>\$ (19,464,514)</b>	<b>\$ (23,898,076)</b>	<b>-6.3%</b>

**OTTER TAIL POWER COMPANY**  
 Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D	Total I=G+H	
<b>Hoot Lake Units 2 and 3</b>									
311.00 Structures and Improvements	\$ 6,316,793	\$ 232,626	\$ 6,084,167	-137.0%	-12.2%	\$ (318,698)	\$ (742,268)	\$ (1,060,966)	-16.8%
312.00 Boiler Plant Equipment	44,921,079	8,717,211	38,203,868	-41.4%	-12.2%	(2,780,925)	(4,680,872)	(7,441,797)	-16.6%
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676		6,980,676						
314.00 Turbogenerator Units	13,118,488	1,562,626	11,555,862	-2.3%	-12.2%	(35,940)	(1,409,815)	(1,445,756)	-11.0%
315.00 Accessory Electric Equipment	2,802,942	36,269	2,766,673	-148.3%	-12.2%	(53,787)	(337,534)	(391,321)	-14.0%
316.00 Miscellaneous Power Plant Equipment	1,303,576	145,692	1,157,884	48.9%	-12.1%	71,243	(140,104)	(68,861)	-5.3%
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 75,443,554</b>	<b>\$ 8,694,424</b>	<b>\$ 66,749,130</b>	<b>-35.9%</b>	<b>-10.9%</b>	<b>\$ (3,118,107)</b>	<b>\$ (7,290,594)</b>	<b>\$ (10,408,700)</b>	<b>-13.8%</b>
<b>Coyote</b>									
311.00 Structures and Improvements	\$ 34,048,530	\$ 695,041	\$ 33,353,489	-15.2%	-8.5%	\$ (105,646)	\$ (2,835,047)	\$ (2,940,693)	-8.6%
312.00 Boiler Plant Equipment	103,813,714	11,537,815	92,275,899	-5.6%	-8.5%	(646,118)	(7,843,451)	(8,489,569)	-8.2%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	31,857,349	7,911,959	23,945,390	26.9%	-8.5%	2,128,317	(2,035,358)	92,959	0.3%
315.00 Accessory Electric Equipment	12,770,315	927,326	11,842,989	0.9%	-8.5%	8,346	(1,006,654)	(998,308)	-7.8%
316.00 Miscellaneous Power Plant Equipment	3,145,901	1,157,466	1,988,435	9.1%	-8.2%	105,329	(163,052)	(57,722)	-1.8%
<b>Total Coyote</b>	<b>\$ 185,635,809</b>	<b>\$ 22,229,607</b>	<b>\$ 163,406,202</b>	<b>6.7%</b>	<b>-8.5%</b>	<b>\$ 1,490,228</b>	<b>\$ (13,883,562)</b>	<b>\$ (12,393,333)</b>	<b>-6.7%</b>
<b>HYDRAULIC PRODUCTION</b>									
<b>Hoot Lake</b>									
331.00 Structures and Improvements	\$ 69,354	\$ -	\$ 69,354			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	305,758	8,084	297,674	-2.5%		(202)		(202)	-0.1%
333.00 Water Wheels, Turbines & Generators	104,195		104,195						
334.00 Accessory Electric Equipment	34,651		34,651						
335.00 Miscellaneous Power Plant Equipment	48,801		48,801						
<b>Total Hoot Lake</b>	<b>\$ 562,759</b>	<b>\$ 8,084</b>	<b>\$ 554,675</b>	<b>-2.5%</b>		<b>\$ (202)</b>	<b>\$ -</b>	<b>\$ (202)</b>	
<b>Wright</b>									
331.00 Structures and Improvements	\$ 19,026	\$ -	\$ 19,026			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	901,305	8,594	892,711	2843.7%		244,388		244,388	27.1%
333.00 Water Wheels, Turbines & Generators	552,421	7,029	545,392	-284.6%		(20,005)		(20,005)	-3.6%
334.00 Accessory Electric Equipment	200,524		200,524						
335.00 Miscellaneous Power Plant Equipment	127,250	12,032	115,218	-7.9%		(951)		(951)	-0.7%
<b>Total Wright</b>	<b>\$ 1,800,526</b>	<b>\$ 27,655</b>	<b>\$ 1,772,871</b>	<b>807.9%</b>		<b>\$ 223,433</b>	<b>\$ -</b>	<b>\$ 223,433</b>	<b>12.4%</b>
<b>Pisgah</b>									
331.00 Structures and Improvements	\$ 12,118	\$ -	\$ 12,118			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	376,297		376,297						
333.00 Water Wheels, Turbines & Generators	161,200	1,468	159,732	-1645.1%		(24,150)		(24,150)	-15.0%
334.00 Accessory Electric Equipment	111,257	11,445	99,812	-2.5%		(286)		(286)	-0.3%
335.00 Miscellaneous Power Plant Equipment	84,583	21,819	62,744	-2.5%		(545)		(545)	-0.6%
<b>Total Pisgah</b>	<b>\$ 745,435</b>	<b>\$ 34,732</b>	<b>\$ 710,703</b>	<b>-71.9%</b>		<b>\$ (24,982)</b>	<b>\$ -</b>	<b>\$ (24,982)</b>	<b>-3.4%</b>

**OTTER TAIL POWER COMPANY**  
 Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Average Rate J=I/B	
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D		Total I=G+H
<b>Dayton Hollow</b>									
331.00 Structures and Improvements	\$ 16,269	\$ -	\$ 16,269			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	1,335,655	44,264	1,291,391	-309.1%		(136,820)		(136,820)	-10.2%
333.00 Water Wheels, Turbines & Generators	239,295	12,544	226,751	-195.3%		(24,498)		(24,498)	-10.2%
334.00 Accessory Electric Equipment	193,849	507	193,342	41.7%		211		211	0.1%
335.00 Miscellaneous Power Plant Equipment	119,243	8,084	111,159	-2.5%		(202)		(202)	-0.2%
<b>Total Dayton Hollow</b>	<b>\$ 1,904,311</b>	<b>\$ 65,399</b>	<b>\$ 1,838,912</b>	<b>-246.7%</b>		<b>\$ (161,309)</b>	<b>\$ -</b>	<b>\$ (161,309)</b>	<b>-8.5%</b>
<b>Taplin Gorge</b>									
331.00 Structures and Improvements	\$ 35,140	\$ -	\$ 35,140			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	620,762	18,000	602,762	-166.7%		(30,006)		(30,006)	-4.8%
333.00 Water Wheels, Turbines & Generators	15,110		15,110						
334.00 Accessory Electric Equipment	62,427	3,732	58,695	-4.7%		(175)		(175)	-0.3%
335.00 Miscellaneous Power Plant Equipment	130,503	26,871	103,632	-2.0%		(537)		(537)	-0.4%
<b>Total Taplin Gorge</b>	<b>\$ 863,942</b>	<b>\$ 48,803</b>	<b>\$ 815,339</b>	<b>-63.2%</b>		<b>\$ (30,719)</b>	<b>\$ -</b>	<b>\$ (30,719)</b>	<b>-3.6%</b>
<b>Bemidji</b>									
331.00 Structures and Improvements	\$ 211,217	\$ 11,412	\$ 199,805	-2.1%		\$ (240)	\$ -	\$ (240)	-0.1%
332.00 Reservoirs, Dams and Waterways	821,755	5,535	816,220	-85.8%		(4,749)		(4,749)	-0.6%
333.00 Water Wheels, Turbines & Generators	325,669	2,982	322,687	-1226.3%		(36,568)		(36,568)	-11.2%
334.00 Accessory Electric Equipment	6,839	1,463	5,376	-82.9%		(1,213)		(1,213)	-17.7%
335.00 Miscellaneous Power Plant Equipment	2,375	1,305	1,070	-10.1%		(132)		(132)	-5.5%
<b>Total Bemidji</b>	<b>\$ 1,367,855</b>	<b>\$ 22,697</b>	<b>\$ 1,345,158</b>	<b>-189.0%</b>		<b>\$ (42,902)</b>	<b>\$ -</b>	<b>\$ (42,902)</b>	<b>-3.1%</b>
<b>OTHER PRODUCTION</b>									
<b>Jamestown</b>									
341.00 Structures and Improvements	\$ 310,786	\$ 5,129	\$ 305,657	-9.9%	-1.4%	\$ (508)	\$ (4,279)	\$ (4,787)	-1.5%
342.00 Fuel Holders and Accessories	593,813	177,849	415,964	-12.6%	-1.4%	(22,488)	(5,823)	(28,311)	-4.8%
343.00 Prime Movers	6,923,561	278,045	6,645,516	-38.7%	-1.4%	(107,512)	(93,037)	(200,550)	-2.9%
344.00 Generators									
345.00 Accessory Electric Equipment	263,852	36,347	227,505	22.6%	-1.4%	8,205	(3,185)	5,020	1.9%
346.00 Miscellaneous Power Plant Equipment	139,078	48,843	90,235	22.9%	-1.4%	11,201	(1,263)	9,938	7.1%
<b>Total Jamestown</b>	<b>\$ 8,231,090</b>	<b>\$ 546,213</b>	<b>\$ 7,684,877</b>	<b>-20.3%</b>	<b>-1.4%</b>	<b>\$ (111,101)</b>	<b>\$ (107,588)</b>	<b>\$ (218,689)</b>	<b>-2.7%</b>
<b>Jamestown Unit 1</b>									
341.00 Structures and Improvements	\$ 285,933	\$ 5,129	\$ 280,804	-9.9%	-1.4%	\$ (508)	\$ (3,931)	\$ (4,439)	-1.6%
342.00 Fuel Holders and Accessories	407,203	28,008	379,195	-51.4%	-1.4%	(14,396)	(5,309)	(19,705)	-4.8%
343.00 Prime Movers	3,004,562	142,337	2,862,225	-57.8%	-1.4%	(82,271)	(40,071)	(122,342)	-4.1%
344.00 Generators									
345.00 Accessory Electric Equipment	157,825	2,553	155,272	19.6%	-1.4%	500	(2,174)	(1,673)	-1.1%
346.00 Miscellaneous Power Plant Equipment	112,036	26,574	85,462	26.9%	-1.4%	7,148	(1,196)	5,952	5.3%
<b>Total Jamestown Unit 1</b>	<b>\$ 3,967,559</b>	<b>\$ 204,601</b>	<b>\$ 3,762,958</b>	<b>-43.8%</b>	<b>-1.4%</b>	<b>\$ (89,526)</b>	<b>\$ (52,681)</b>	<b>\$ (142,207)</b>	<b>-3.6%</b>

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E/C	Future H=F/D	Total I=G+H	
<b>Jamestown Unit 2</b>									
341.00 Structures and Improvements	\$ 24,853	\$ -	\$ 24,853		-1.4%	\$ -	\$ (348)	\$ (348)	-1.4%
342.00 Fuel Holders and Accessories	186,610	149,841	36,769	-5.4%	-1.4%	(8,091)	(515)	(8,606)	-4.6%
343.00 Prime Movers	3,918,999	135,708	3,783,291	-18.6%	-1.4%	(25,242)	(52,966)	(78,208)	-2.0%
344.00 Generators									
345.00 Accessory Electric Equipment	106,027	33,794	72,233	22.8%	-1.4%	7,705	(1,011)	6,694	6.3%
346.00 Miscellaneous Power Plant Equipment	27,042	22,269	4,773	18.2%	-1.4%	4,053	(87)	3,986	14.7%
<b>Total Jamestown Unit 2</b>	<b>\$ 4,263,531</b>	<b>\$ 341,612</b>	<b>\$ 3,921,919</b>	<b>-6.3%</b>	<b>-1.4%</b>	<b>\$ (21,575)</b>	<b>\$ (54,907)</b>	<b>\$ (76,482)</b>	<b>-1.8%</b>
<b>Lake Preston</b>									
341.00 Structures and Improvements	\$ 229,833	\$ (1)	\$ 229,834		-2.4%	\$ -	\$ (5,516)	\$ (5,516)	-2.4%
342.00 Fuel Holders and Accessories	373,513	44,808	328,705	-4.9%	-2.4%	(2,196)	(7,889)	(10,085)	-2.7%
343.00 Prime Movers	3,248,402	76,336	3,172,066	-8.0%	-2.4%	(4,580)	(76,130)	(80,710)	-2.5%
344.00 Generators									
345.00 Accessory Electric Equipment	373,791	4,511	369,280		-2.4%		(8,863)	(8,863)	-2.4%
346.00 Miscellaneous Power Plant Equipment	25,227	3,620	21,607	71.8%	-2.4%	2,599	(519)	2,081	8.2%
<b>Total Lake Preston</b>	<b>\$ 4,250,766</b>	<b>\$ 129,274</b>	<b>\$ 4,121,492</b>	<b>-3.2%</b>	<b>-2.4%</b>	<b>\$ (4,177)</b>	<b>\$ (98,916)</b>	<b>\$ (103,092)</b>	<b>-2.4%</b>
<b>Ashtabula Wind Generation</b>									
341.00 Structures and Improvements	\$ 3,248,290	\$ -	\$ 3,248,290		-1.2%	\$ -	\$ (38,979)	\$ (38,979)	-1.2%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	108,330,482	1,490,036	106,840,446		-1.2%		(1,282,085)	(1,282,085)	-1.2%
345.00 Accessory Electric Equipment	6,372,808		6,372,808		-1.2%		(76,474)	(76,474)	-1.2%
346.00 Miscellaneous Power Plant Equipment	28,417		28,417		-1.2%		(341)	(341)	-1.2%
<b>Total Ashtabula Wind Generation</b>	<b>\$ 117,979,987</b>	<b>\$ 1,490,036</b>	<b>\$ 116,489,951</b>		<b>-1.2%</b>	<b>\$ -</b>	<b>\$ (1,397,880)</b>	<b>\$ (1,397,880)</b>	<b>-1.2%</b>
<b>Langdon Wind Generation</b>									
341.00 Structures and Improvements	\$ 2,484,069	\$ -	\$ 2,484,069		-1.4%	\$ -	\$ (34,777)	\$ (34,777)	-1.4%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	69,963,849	779,985	69,183,864	-4.5%	-1.4%	(35,099)	(968,574)	(1,003,673)	-1.4%
345.00 Accessory Electric Equipment	7,407,275		7,407,275		-1.4%		(103,702)	(103,702)	-1.4%
346.00 Miscellaneous Power Plant Equipment	65,210		65,210		-1.5%		(978)	(978)	-1.5%
<b>Total Langdon Wind Generation</b>	<b>\$ 79,920,403</b>	<b>\$ 779,985</b>	<b>\$ 79,140,418</b>	<b>-4.5%</b>	<b>-1.4%</b>	<b>\$ (35,099)</b>	<b>\$ (1,108,031)</b>	<b>\$ (1,143,130)</b>	<b>-1.4%</b>
<b>Luverne Wind Generation</b>									
341.00 Structures and Improvements	\$ 2,266,581	\$ -	\$ 2,266,581		-2.0%	\$ -	\$ (45,332)	\$ (45,332)	-2.0%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	66,142,162	653,531	65,488,631	-5.5%	-2.0%	(35,944)	(1,309,773)	(1,345,717)	-2.0%
345.00 Accessory Electric Equipment	4,863,837		4,863,837		-2.0%		(97,277)	(97,277)	-2.0%
346.00 Miscellaneous Power Plant Equipment	74,045		74,045		-2.0%		(1,481)	(1,481)	-2.0%
<b>Total Luverne Wind Generation</b>	<b>\$ 73,346,625</b>	<b>\$ 653,531</b>	<b>\$ 72,693,094</b>	<b>-5.5%</b>	<b>-2.0%</b>	<b>\$ (35,944)</b>	<b>\$ (1,453,862)</b>	<b>\$ (1,489,806)</b>	<b>-2.0%</b>

**OTTER TAIL POWER COMPANY**  
 Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*F	Future H=F*D	Total I=G+H	
<b>Solway Combustion Turbine</b>									
341.00 Structures and Improvements	\$ 4,419,779	\$ 8,000	\$ 4,411,779	-4.6%	-0.4%	\$ (368)	\$ (17,647)	\$ (18,015)	-0.4%
342.00 Fuel Holders and Accessories	1,003,596		1,003,596		-0.4%		(4,014)	(4,014)	-0.4%
343.00 Prime Movers	21,854,566	366,274	21,488,294	-17.9%	-0.4%	(65,563)	(85,953)	(151,516)	-0.7%
344.00 Generators									
345.00 Accessory Electric Equipment	1,353,696	48,118	1,305,578		-0.4%		(5,222)	(5,222)	-0.4%
346.00 Miscellaneous Power Plant Equipment	326,153		326,153		-0.4%		(1,305)	(1,305)	-0.4%
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,957,792</b>	<b>\$ 422,392</b>	<b>\$ 28,535,400</b>	<b>-15.6%</b>	<b>-0.4%</b>	<b>\$ (65,931)</b>	<b>\$ (114,142)</b>	<b>\$ (180,073)</b>	<b>-0.6%</b>
<b>Fergus Falls Control Center</b>									
341.00 Structures and Improvements	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	650,974	59,336	591,638	6.2%		3,679		3,679	0.6%
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
<b>Total Fergus Falls Control Center</b>	<b>\$ 650,974</b>	<b>\$ 59,336</b>	<b>\$ 591,638</b>	<b>6.2%</b>		<b>\$ 3,679</b>	<b>\$ -</b>	<b>\$ 3,679</b>	<b>0.6%</b>

**OTTER TAIL POWER COMPANY**  
Future Net Salvage  
Steam and Other Production

Statement E

Account Description A	12/31/15 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<b>STEAM PRODUCTION</b>									
<b>Big Stone</b>									
311.00 Structures and Improvements	\$ 84,848,400	\$ 6,530,217	\$ 78,318,183	-5.0%	-6.1%	\$ (326,511)	\$ (4,788,565)	\$ (5,115,076)	-6.0%
312.00 Boiler Plant Equipment	184,717,394	14,177,947	170,539,447	-5.0%	-6.1%	(708,897)	(10,427,198)	(11,136,095)	-6.0%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	29,971,009	2,365,015	27,605,994	-5.0%	-6.1%	(118,251)	(1,687,898)	(1,806,149)	-6.0%
315.00 Accessory Electric Equipment	21,986,160	1,708,185	20,277,975	-5.0%	-6.1%	(85,409)	(1,239,845)	(1,325,254)	-6.0%
316.00 Miscellaneous Power Plant Equipment	3,091,711	244,503	2,847,208		-6.1%		(174,085)	(174,085)	-5.6%
<b>Total Big Stone</b>	<b>\$ 324,614,674</b>	<b>\$25,025,866</b>	<b>\$ 299,588,808</b>	<b>-5.0%</b>	<b>-6.1%</b>	<b>\$ (1,239,068)</b>	<b>\$ (18,317,590)</b>	<b>\$ (19,556,659)</b>	<b>-6.0%</b>
<b>Hoot Lake Units 2 and 3</b>									
311.00 Structures and Improvements	\$ 6,084,167	\$ 86,049	\$ 5,998,118	-5.0%	-12.3%	\$ (4,302)	\$ (735,967)	\$ (740,269)	-12.2%
312.00 Boiler Plant Equipment	38,203,868	504,608	37,699,260	-5.0%	-12.3%	(25,230)	(4,625,684)	(4,650,915)	-12.2%
312.10 Boiler Plant Equipment - Ash Ponds	6,980,676	619,719	6,360,957						
314.00 Turbogenerator Units	11,555,862	158,795	11,397,067	-5.0%	-12.3%	(7,940)	(1,398,416)	(1,406,355)	-12.2%
315.00 Accessory Electric Equipment	2,766,673	38,827	2,727,846	-5.0%	-12.3%	(1,941)	(334,706)	(336,647)	-12.2%
316.00 Miscellaneous Power Plant Equipment	1,157,884	15,040	1,142,844		-12.3%		(140,227)	(140,227)	-12.1%
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,749,130</b>	<b>\$ 1,423,037</b>	<b>\$ 65,326,093</b>	<b>-2.8%</b>	<b>-12.3%</b>	<b>\$ (39,414)</b>	<b>\$ (7,234,999)</b>	<b>\$ (7,274,413)</b>	<b>-10.9%</b>
<b>Coyote</b>									
311.00 Structures and Improvements	\$ 33,353,489	\$ 2,264,392	\$ 31,089,097	-5.0%	-8.8%	\$ (113,220)	\$ (2,724,632)	\$ (2,837,851)	-8.5%
312.00 Boiler Plant Equipment	92,275,899	6,221,740	86,054,159	-5.0%	-8.8%	(311,087)	(7,541,739)	(7,852,826)	-8.5%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	23,945,390	1,580,686	22,364,704	-5.0%	-8.8%	(79,034)	(1,960,030)	(2,039,065)	-8.5%
315.00 Accessory Electric Equipment	11,842,989	797,629	11,045,360	-5.0%	-8.8%	(39,881)	(968,009)	(1,007,891)	-8.5%
316.00 Miscellaneous Power Plant Equipment	1,988,435	130,919	1,857,516		-8.8%		(162,792)	(162,792)	-8.2%
<b>Total Coyote</b>	<b>\$ 163,406,202</b>	<b>\$10,995,366</b>	<b>\$ 152,410,836</b>	<b>-4.9%</b>	<b>-8.8%</b>	<b>\$ (543,222)</b>	<b>\$ (13,357,202)</b>	<b>\$ (13,900,425)</b>	<b>-8.5%</b>
<b>OTHER PRODUCTION</b>									
<b>Jamestown</b>									
341.00 Structures and Improvements	\$ 305,657	\$ 5,729	\$ 299,928		-1.4%	\$ -	\$ (4,203)	\$ (4,203)	-1.4%
342.00 Fuel Holders and Accessories	415,964	7,685	408,279		-1.4%		(5,721)	(5,721)	-1.4%
343.00 Prime Movers	6,645,516	126,987	6,518,529		-1.4%		(91,344)	(91,344)	-1.4%
344.00 Generators									
345.00 Accessory Electric Equipment	227,505	4,307	223,198		-1.4%		(3,128)	(3,128)	-1.4%
346.00 Miscellaneous Power Plant Equipment	90,235	1,616	88,619		-1.4%		(1,242)	(1,242)	-1.4%
<b>Total Jamestown</b>	<b>\$ 7,684,877</b>	<b>\$ 146,325</b>	<b>\$ 7,538,552</b>		<b>-1.4%</b>	<b>\$ -</b>	<b>\$ (105,637)</b>	<b>\$ (105,637)</b>	<b>-1.4%</b>

**OTTER TAIL POWER COMPANY**  
 Future Net Salvage  
 Steam and Other Production

Statement E

Account Description A	12/31/15 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<b>Lake Preston</b>									
341.00 Structures and Improvements	\$ 229,834	\$ 4,374	\$ 225,460		-2.5%	\$ -	\$ (5,528)	\$ (5,528)	-2.4%
342.00 Fuel Holders and Accessories	328,705	6,222	322,483		-2.5%		(7,907)	(7,907)	-2.4%
343.00 Prime Movers	3,172,066	60,809	3,111,257		-2.5%		(76,285)	(76,285)	-2.4%
344.00 Generators									
345.00 Accessory Electric Equipment	369,280	7,107	362,173		-2.5%		(8,880)	(8,880)	-2.4%
346.00 Miscellaneous Power Plant Equipment	21,607	413	21,194		-2.5%		(520)	(520)	-2.4%
<b>Total Lake Preston</b>	<b>\$ 4,121,492</b>	<b>\$ 78,925</b>	<b>\$ 4,042,567</b>		<b>-2.5%</b>	<b>\$ -</b>	<b>\$ (99,119)</b>	<b>\$ (99,119)</b>	<b>-2.4%</b>
<b>Solway Combustion Turbine</b>									
341.00 Structures and Improvements	\$ 4,411,779	\$ 250,143	\$ 4,161,636		-0.4%	\$ -	\$ (17,084)	\$ (17,084)	-0.4%
342.00 Fuel Holders and Accessories	1,003,596	56,952	946,644		-0.4%		(3,886)	(3,886)	-0.4%
343.00 Prime Movers	21,488,294	1,218,714	20,269,580		-0.4%		(83,211)	(83,211)	-0.4%
344.00 Generators									
345.00 Accessory Electric Equipment	1,305,578	73,955	1,231,623		-0.4%		(5,056)	(5,056)	-0.4%
346.00 Miscellaneous Power Plant Equipment	326,153	18,447	307,706		-0.4%		(1,263)	(1,263)	-0.4%
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,535,400</b>	<b>\$ 1,618,210</b>	<b>\$ 26,917,190</b>		<b>-0.4%</b>	<b>\$ -</b>	<b>\$ (110,501)</b>	<b>\$ (110,501)</b>	<b>-0.4%</b>
<b>Ashtabula Wind Generation</b>									
341.00 Structures and Improvements	\$3,248,290	\$140,691	\$ 3,107,599		-1.2%	\$ -	\$ (38,716)	\$ (38,716)	-1.2%
342.00 Fuel Holders and Accessories					-1.2%				
343.00 Prime Movers					-1.2%				
344.00 Generators	106,840,446	4,626,285	102,214,161		-1.2%		(1,273,435)	(1,273,435)	-1.2%
345.00 Accessory Electric Equipment	6,372,808	275,954	6,096,854		-1.2%		(75,958)	(75,958)	-1.2%
346.00 Miscellaneous Power Plant Equipment	28,417	1,218	27,199		-1.2%		(339)	(339)	-1.2%
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,489,961</b>	<b>\$ 5,044,148</b>	<b>\$ 111,445,813</b>		<b>-1.2%</b>	<b>\$ -</b>	<b>\$ (1,388,447)</b>	<b>\$ (1,388,447)</b>	<b>-1.2%</b>
<b>Langdon Wind Generation</b>									
341.00 Structures and Improvements	\$2,484,069	\$101,520	\$ 2,382,549		-1.5%	\$ -	\$ (36,003)	\$ (36,003)	-1.4%
342.00 Fuel Holders and Accessories					-1.5%				
343.00 Prime Movers					-1.5%				
344.00 Generators	69,183,864	2,826,641	66,357,223		-1.5%		(1,002,735)	(1,002,735)	-1.4%
345.00 Accessory Electric Equipment	7,407,275	302,417	7,104,858		-1.5%		(107,363)	(107,363)	-1.4%
346.00 Miscellaneous Power Plant Equipment	65,210	2,631	62,579		-1.5%		(946)	(946)	-1.5%
<b>Total Langdon Wind Generation</b>	<b>\$ 79,140,418</b>	<b>\$ 3,233,209</b>	<b>\$ 75,907,209</b>		<b>-1.5%</b>	<b>\$ -</b>	<b>\$ (1,147,046)</b>	<b>\$ (1,147,046)</b>	<b>-1.4%</b>

**OTTER TAIL POWER COMPANY**  
Future Net Salvage  
Steam and Other Production

Statement E

Account Description A	12/31/15 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<b><u>Luverne Wind Generation</u></b>									
341.00 Structures and Improvements	\$2,266,581	\$103,681	\$ 2,162,900		-2.1%	\$ -	\$ (45,537)	\$ (45,537)	-2.0%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,488,631	2,995,133	62,493,498		-2.1%		(1,315,729)	(1,315,729)	-2.0%
345.00 Accessory Electric Equipment	4,863,837	222,485	4,641,352		-2.1%		(97,718)	(97,718)	-2.0%
346.00 Miscellaneous Power Plant Equipment	74,045	3,355	70,690		-2.1%		(1,488)	(1,488)	-2.0%
<b>Total Luverne Wind Generation</b>	<b>\$ 72,693,094</b>	<b>\$ 3,324,653</b>	<b>\$ 69,368,441</b>		<b>-2.1%</b>	<b>\$ -</b>	<b>\$ (1,460,473)</b>	<b>\$ (1,460,473)</b>	<b>-2.0%</b>
<b><u>GENERAL PLANT</u></b>									
390.10 General Office Buildings	\$5,712,599	\$214,521	\$ 5,498,078	-5.0%	51.8%	\$ (10,726)	\$ 2,846,923	\$ 2,836,197	49.6%
390.20 Fleet Service Center Building	937,678	22,772	914,906	-5.0%	34.5%	(1,139)	315,851	314,712	33.6%
390.30 Central Stores Building	4,026,350	209,163	3,817,187	-5.0%	98.0%	(10,458)	3,739,918	3,729,460	92.6%

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>STEAM PRODUCTION</b>												
311.00 Structures and Improvements			52.83	24.22	-10.7	-10.2			37.88	27.20	-7.3	-7.0
312.00 Boiler Plant Equipment			33.36	18.11	-11.9	-10.6			31.46	22.18	-8.6	-7.5
312.10 Boiler Plant Equipment - Ash Ponds			33.36	18.11	-11.9	-10.6			38.25	33.91		
314.00 Turbogenerator Units			36.78	22.00	-4.8	-10.8			36.48	21.20	-2.6	-8.0
315.00 Accessory Electric Equipment			45.45	23.31	-10.6	-10.3			38.31	25.49	-7.4	-7.3
316.00 Miscellaneous Power Plant Equipment			32.82	19.58	-4.9	-10.5			30.12	18.80	-3.0	-7.6
<b>Total Steam Production Plant</b>									33.74	23.36	-7.3	-7.3
<b>HYDRAULIC PRODUCTION</b>												
331.00 Structures and Improvements			18.16	6.45	-0.1				18.19	5.46	-0.1	
332.00 Reservoirs, Dams and Waterways			12.13	6.45	1.7				12.12	5.46	1.7	
333.00 Water Wheels, Turbines & Generators			13.16	6.45	-7.5				13.17	5.46	-7.5	
334.00 Accessory Electric Equipment			19.85	6.45	-0.2				19.86	5.46	-0.2	
335.00 Miscellaneous Power Plant Equipment			10.21	6.45	-0.5				10.21	5.46	-0.5	
<b>Total Hydraulic Production Plant</b>									12.80	5.46	-0.5	
<b>OTHER PRODUCTION</b>												
341.00 Structures and Improvements			26.73	18.94	-1.2	-1.2			26.75	17.99	-1.1	-1.1
342.00 Fuel Holders and Accessories			26.47	14.94	-2.2	-1.0			26.47	13.97	-2.2	-1.0
343.00 Prime Movers			34.20	18.49	-1.1	-0.8			34.13	17.57	-1.3	-0.8
344.00 Generators			24.17	18.05	-1.5	-1.5			24.15	17.09	-1.5	-1.5
345.00 Accessory Electric Equipment			24.70	17.97	-1.4	-1.5			24.64	17.00	-1.4	-1.4
346.00 Miscellaneous Power Plant Equipment			25.56	18.23	-0.5	-1.0			22.91	16.04	1.2	-1.0
<b>Total Other Production Plant</b>									25.05	17.14	-1.4	-1.4
<b>TRANSMISSION PLANT</b>												
353.00 Station Equipment	65.00	R1	65.15	52.75	-0.5	-5.0	65.00	R1	65.15	53.06	-0.7	-5.0
354.00 Towers and Fixtures	70.00	R5	70.00	65.48	-10.0	-10.0	70.00	R5	70.00	66.45	-10.0	-10.0
355.00 Poles and Fixtures	70.00	R2	70.36	53.90	-45.0	-50.0	70.00	R2	70.36	54.30	-45.2	-50.0
356.00 Overhead Conductors and Devices	70.00	R2	70.24	54.34	-25.7	-30.0	70.00	R2	70.23	55.22	-26.1	-30.0
358.00 Underground Conductors and Devices	40.00	S4	41.72	9.83	-7.3	-5.0	40.00	S4	42.08	9.36	-7.3	-5.0
<b>Total Transmission Plant</b>									69.00	56.93	-22.0	-25.5

**OTTER TAIL POWER COMPANY**  
Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
<b>DISTRIBUTION PLANT</b>												
362.00 Station Equipment	40.00	SC	40.64	32.19	7.4	5.0	40.00	SC	40.63	32.11	7.3	5.0
364.00 Poles, Towers and Fixtures	68.00	R3	68.08	47.99	-76.4	-75.0	68.00	R3	68.09	47.61	-76.5	-75.0
365.00 Overhead Conductors and Devices	65.00	R2.5	65.20	43.86	-98.5	-100.0	65.00	R2.5	65.21	43.53	-98.3	-100.0
367.00 Underground Conductors and Devices	40.00	R4	39.93	24.61	-4.7	-5.0	40.00	R4	39.95	24.39	-4.7	-5.0
368.00 Line Transformers	40.00	R2.5	40.13	28.29	48.7	50.0	40.00	R2.5	40.13	28.21	48.5	50.0
369.00 Overhead Services	55.00	S5	55.21	32.68	-154.8	-150.0	55.00	S5	55.23	32.19	-155.4	-150.0
369.10 Underground Services	45.00	R4	45.14	30.25	-20.2	-20.0	45.00	R4	45.15	29.99	-20.2	-20.0
370.00 Meters	28.00	L0.5	29.78	20.68	0.1		28.00	L0.5	29.71	20.69	0.1	
370.10 Load Management Switches	12.00	R5	12.12	2.79			12.00	R5	12.31	2.12		
370.20 Interruption Monitors	5.00	SQ	5.00	1.00			5.00	SQ	5.00	1.00		
371.20 Other Private Lighting	23.00	L0	23.19	16.90	9.5	10.0	23.00	L0	23.17	16.83	9.3	10.0
373.00 Street Lighting and Signal Systems	22.00	L0.5	22.52	15.11	-3.9	-5.0	22.00	L0.5	22.55	15.03	-3.9	-5.0
<b>Total Distribution Plant</b>									42.02	28.61	-16.4	-18.5
<b>GENERAL PLANT</b>												
<b>Depreciable</b>												
390.00 Structures and Improvements	47.00	R1.5	47.50	31.17	13.4	10.0	47.00	R1.5	47.53	30.54	13.4	10.0
390.10 General Office Buildings	2030	200-SC	33.05	15.18	38.4	49.7	2030	200-SC	32.96	14.22	38.4	49.6
390.20 Fleet Service Center Building	2025	200-SC	27.87	10.36	26.2	33.8	2025	200-SC	27.31	9.38	26.0	33.6
390.30 Central Stores Building	2035	200-SC	49.73	19.93	91.0	92.7	2035	200-SC	49.71	18.98	90.9	92.6
396.00 Power Operated Equipment	24.00	L0	26.04	17.28	21.7	20.0	24.00	L0	26.23	16.89	21.7	20.0
397.40 Communication Towers	40.00	R3	40.29	24.87	5.5	5.0	40.00	R3	40.35	24.13	5.5	5.0
<b>Total Depreciable</b>									42.53	23.94	26.2	27.6
<b>Amortizable</b>												
391.00 Office Furniture	15.00	SQ	15.00	5.53			15.00	SQ	15.00	5.51		
391.10 Office Equipment	10.00	SQ	10.00	4.34			10.00	SQ	10.00	3.46		
391.20 Duplicating Equipment	10.00	SQ	10.00	3.53			10.00	SQ	10.00	4.44		
391.50 Computer Systems	5.00	SQ	5.00	1.72			5.00	SQ	5.00	2.52		
391.60 Computer Related Equipment	5.00	SQ	5.00	1.81			5.00	SQ	5.00	2.13		
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	8.87			15.00	SQ	15.00	8.83		
394.20 Automated Meter Reading Equipment	15.00	SQ	15.00	7.66			15.00	SQ	15.00	6.84		
397.00 Communication Equipment	15.00	SQ	15.00	9.26			15.00	SQ	15.00	8.49		

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
397.10 Radio Telecommunication Equipment	10.00	SQ	10.00	5.83			10.00	SQ	10.00	4.83		
397.20 Microwave Equipment	15.00	SQ	15.00	8.08			15.00	SQ	15.00	7.69		
397.30 Radio Load Control Equipment	10.00	SQ	10.00	6.40			10.00	SQ	10.00	5.40		
<b>Total Amortizable</b>									8.70	4.34		
<b>Total General Plant</b>									16.90	9.09	9.9	16.8
<b>TOTAL UTILITY</b>									36.01	25.60	-10.8	-12.3
<b>STEAM PRODUCTION</b>												
<b>Big Stone</b>												
311.00 Structures and Improvements	2046	200-SC	60.88	30.15	-11.8	-11.8	2046	200-SC	34.26	29.32	-6.1	-6.0
312.00 Boiler Plant Equipment	2046	200-SC	48.46	30.19	-13.9	-11.8	2046	200-SC	33.69	29.32	-7.1	-6.0
312.10 Boiler Plant Equipment - Ash Ponds												
314.00 Turbogenerator Units	2046	200-SC	44.26	30.21	-7.0	-11.8	2046	200-SC	43.25	29.29	-2.1	-6.0
315.00 Accessory Electric Equipment	2046	200-SC	53.30	30.17	-12.5	-11.8	2046	200-SC	36.40	29.31	-6.4	-6.0
316.00 Miscellaneous Power Plant Equipment	2046	200-SC	47.27	30.19	-6.9	-11.4	2046	200-SC	41.96	29.29	-3.3	-5.6
<b>Total Big Stone</b>									34.79	29.32	-6.3	-6.0
<b>Hoot Lake Units 2 and 3</b>												
311.00 Structures and Improvements	2021	200-SC	36.74	6.44	-17.2	-12.7	2021	200-SC	36.71	5.46	-16.8	-12.2
312.00 Boiler Plant Equipment	2021	200-SC	14.70	6.45	-15.4	-12.7	2021	200-SC	14.58	5.46	-16.6	-12.2
312.10 Boiler Plant Equipment - Ash Ponds	2021	200-SC	14.70	6.45	-15.4	-12.7	2051	200-SC	38.25	33.91		
314.00 Turbogenerator Units	2021	200-SC	23.59	6.44	-11.5	-12.7	2021	200-SC	23.57	5.46	-11.0	-12.2
315.00 Accessory Electric Equipment	2021	200-SC	26.40	6.44	-14.5	-12.7	2021	200-SC	26.43	5.46	-14.0	-12.2
316.00 Miscellaneous Power Plant Equipment	2021	200-SC	16.36	6.45	-5.2	-12.6	2021	200-SC	14.31	5.46	-5.3	-12.1
<b>Total Hoot Lake Units 2 and 3</b>									18.32	6.88	-13.8	-10.9
<b>Coyote</b>												
311.00 Structures and Improvements	2041	200-SC	52.50	25.55	-8.7	-8.6	2041	200-SC	52.25	24.62	-8.6	-8.5
312.00 Boiler Plant Equipment	2041	200-SC	48.94	25.56	-8.3	-8.6	2041	200-SC	48.13	24.63	-8.2	-8.5
312.10 Boiler Plant Equipment - Ash Ponds												
314.00 Turbogenerator Units	2041	200-SC	39.24	25.59	0.2	-8.6	2041	200-SC	39.15	24.65	0.3	-8.5
315.00 Accessory Electric Equipment	2041	200-SC	47.93	25.56	-8.3	-8.6	2041	200-SC	48.02	24.63	-7.8	-8.5
316.00 Miscellaneous Power Plant Equipment	2041	200-SC	39.13	25.58	-2.5	-8.3	2041	200-SC	37.89	24.65	-1.8	-8.2
<b>Total Coyote</b>									47.14	24.63	-6.7	-8.5

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
 Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>HYDRAULIC PRODUCTION</b>												
<b><u>Hoot Lake</u></b>												
331.00 Structures and Improvements	2021	200-SC	61.02	6.44			2021	200-SC	61.16	5.46		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	29.85	6.44	-0.1		2021	200-SC	29.89	5.46	-0.1	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	36.00	6.44			2021	200-SC	36.08	5.46		
334.00 Accessory Electric Equipment	2021	200-SC	30.62	6.44			2021	200-SC	30.68	5.46		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.91	6.45			2021	200-SC	8.91	5.46		
<b>Total Hoot Lake</b>									26.94	5.46		
<b><u>Wright</u></b>												
331.00 Structures and Improvements	2021	200-SC	30.62	6.44			2021	200-SC	30.68	5.46		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	9.58	6.45	27.2		2021	200-SC	9.58	5.46	27.1	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	9.28	6.45	-3.6		2021	200-SC	9.29	5.46	-3.6	
334.00 Accessory Electric Equipment	2021	200-SC	17.75	6.45			2021	200-SC	17.78	5.46		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	12.19	6.45	-0.7		2021	200-SC	12.20	5.46	-0.7	
<b>Total Wright</b>									10.23	5.46	12.4	
<b><u>Pisgah</u></b>												
331.00 Structures and Improvements	2021	200-SC	38.62	6.44			2021	200-SC	38.70	5.46		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	12.95	6.45			2021	200-SC	12.97	5.46		
333.00 Water Wheels, Turbines & Generators	2021	200-SC	15.85	6.45	-15.0		2021	200-SC	15.87	5.46	-15.0	
334.00 Accessory Electric Equipment	2021	200-SC	17.81	6.45	-0.3		2021	200-SC	17.73	5.46	-0.3	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.91	6.45	-0.6		2021	200-SC	8.91	5.46	-0.6	
<b>Total Pisgah</b>									13.65	5.46	-3.4	
<b><u>Dayton Hollow</u></b>												
331.00 Structures and Improvements	2021	200-SC	9.92	6.45			2021	200-SC	9.93	5.46		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	10.67	6.45	-10.2		2021	200-SC	10.67	5.46	-10.2	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	14.14	6.45	-10.2		2021	200-SC	14.16	5.46	-10.2	
334.00 Accessory Electric Equipment	2021	200-SC	21.28	6.45	0.1		2021	200-SC	21.32	5.46	0.1	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.93	6.45	-0.2		2021	200-SC	8.93	5.46	-0.2	
<b>Total Dayton Hollow</b>									11.48	5.46	-8.5	

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>Taplin Gorge</b>												
331.00 Structures and Improvements	2021	200-SC	74.10	6.44			2021	200-SC	74.27	5.45		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	16.27	6.45	-4.8		2021	200-SC	16.29	5.46	-4.8	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	81.70	6.44			2021	200-SC	81.90	5.45		
334.00 Accessory Electric Equipment	2021	200-SC	22.12	6.45	-0.3		2021	200-SC	22.15	5.46	-0.3	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	11.72	6.45	-0.4		2021	200-SC	11.73	5.46	-0.4	
<b>Total Taplin Gorge</b>									16.59	5.46	-3.6	
<b>Bemidji</b>												
331.00 Structures and Improvements	2021	200-SC	13.16	6.45	-0.1		2021	200-SC	13.18	5.46	-0.1	
332.00 Reservoirs, Dams and Waterways	2021	200-SC	13.09	6.45	-0.6		2021	200-SC	13.00	5.46	-0.6	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	19.59	6.45	-11.2		2021	200-SC	19.62	5.46	-11.2	
334.00 Accessory Electric Equipment	2021	200-SC	72.95	6.44	-17.7		2021	200-SC	73.00	5.45	-17.7	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	11.86	6.45	-5.5		2021	200-SC	11.87	5.46	-5.5	
<b>Total Bemidji</b>									14.23	5.46	-3.1	
<b>OTHER PRODUCTION</b>												
<b>Jamestown</b>												
341.00 Structures and Improvements			23.60	8.41	-1.5	-1.4			23.63	7.43	-1.5	-1.4
342.00 Fuel Holders and Accessories			17.06	8.41	-4.8	-1.4			17.04	7.43	-4.8	-1.4
343.00 Prime Movers			35.48	8.40	-2.9	-1.4			35.52	7.42	-2.9	-1.4
344.00 Generators												
345.00 Accessory Electric Equipment			28.85	8.41	2.1	-1.4			23.23	7.43	1.9	-1.4
346.00 Miscellaneous Power Plant Equipment			18.62	8.41	-1.0	-1.4			12.24	7.43	7.1	-1.4
<b>Total Jamestown</b>									31.81	7.43	-2.7	-1.4
<b>Jamestown Unit 1</b>												
341.00 Structures and Improvements	2023	200-SC	24.44	8.41	-1.6	-1.4	2023	200-SC	24.47	7.43	-1.6	-1.4
342.00 Fuel Holders and Accessories	2023	200-SC	16.47	8.41	-4.8	-1.4	2023	200-SC	16.48	7.43	-4.8	-1.4
343.00 Prime Movers	2023	200-SC	32.73	8.40	-4.1	-1.4	2023	200-SC	32.77	7.43	-4.1	-1.4
344.00 Generators												
345.00 Accessory Electric Equipment	2023	200-SC	46.84	8.40	-1.1	-1.4	2023	200-SC	46.94	7.42	-1.1	-1.4
346.00 Miscellaneous Power Plant Equipment	2023	200-SC	17.28	8.41	-1.1	-1.4	2023	200-SC	11.80	7.43	5.3	-1.4
<b>Total Jamestown Unit 1</b>									28.43	7.43	-3.6	-1.4

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
<b>Jamestown Unit 2</b>												
341.00 Structures and Improvements	2023	200-SC	17.00	8.41	-1.4	-1.4	2023	200-SC	17.02	7.43	-1.4	-1.4
342.00 Fuel Holders and Accessories	2023	200-SC	26.95	8.40	-4.6	-1.4	2023	200-SC	26.25	7.42	-4.6	-1.4
343.00 Prime Movers	2023	200-SC	37.88	8.40	-2.0	-1.4	2023	200-SC	37.93	7.42	-2.0	-1.4
344.00 Generators												
345.00 Accessory Electric Equipment	2023	200-SC	15.33	8.41	8.0	-1.4	2023	200-SC	11.14	7.43	6.3	-1.4
346.00 Miscellaneous Power Plant Equipment	2023	200-SC	37.52	8.40	-0.5	-1.4	2023	200-SC	36.69	7.42	14.7	-1.4
<b>Total Jamestown Unit 2</b>									35.91	7.42	-1.8	-1.4
<b>Lake Preston</b>												
341.00 Structures and Improvements	2023	200-SC	29.12	8.40	-2.4	-2.4	2023	200-SC	29.16	7.43	-2.4	-2.4
342.00 Fuel Holders and Accessories	2023	200-SC	28.17	8.40	-2.7	-2.4	2023	200-SC	28.16	7.43	-2.7	-2.4
343.00 Prime Movers	2023	200-SC	39.12	8.40	-2.5	-2.4	2023	200-SC	39.18	7.42	-2.5	-2.4
344.00 Generators												
345.00 Accessory Electric Equipment	2023	200-SC	41.94	8.40	-2.4	-2.4	2023	200-SC	42.02	7.42	-2.4	-2.4
346.00 Miscellaneous Power Plant Equipment	2023	200-SC	38.99	8.40	8.2	-2.4	2023	200-SC	39.06	7.42	8.2	-2.4
<b>Total Lake Preston</b>									37.52	7.42	-2.4	-2.4
<b>Ashtabula Wind Generation</b>												
341.00 Structures and Improvements	2033	200-SC	24.27	18.07	-1.2	-1.2	2033	200-SC	24.29	17.11	-1.2	-1.2
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2033	200-SC	24.17	18.07	-1.2	-1.2	2033	200-SC	24.14	17.11	-1.2	-1.2
345.00 Accessory Electric Equipment	2033	200-SC	24.16	18.07	-1.2	-1.2	2033	200-SC	24.18	17.11	-1.2	-1.2
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	20.46	18.07	-1.2	-1.2	2033	200-SC	20.46	17.11	-1.2	-1.2
<b>Total Ashtabula Wind Generation</b>									24.15	17.11	-1.2	-1.2
<b>Langdon Wind Generation</b>												
341.00 Structures and Improvements	2032	200-SC	24.29	17.11	-1.5	-1.5	2032	200-SC	24.31	16.15	-1.4	-1.4
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2032	200-SC	24.15	17.11	-1.5	-1.5	2032	200-SC	24.13	16.15	-1.4	-1.4
345.00 Accessory Electric Equipment	2032	200-SC	23.80	17.11	-1.5	-1.5	2032	200-SC	23.82	16.15	-1.4	-1.4
346.00 Miscellaneous Power Plant Equipment	2032	200-SC	19.38	17.12	-1.5	-1.5	2032	200-SC	19.39	16.16	-1.5	-1.5
<b>Total Langdon Wind Generation</b>									24.10	16.15	-1.4	-1.4

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
 Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b><u>Luverne Wind Generation</u></b>												
341.00 Structures and Improvements	2034	200-SC	24.26	19.02	-2.0	-2.0	2034	200-SC	24.27	18.07	-2.0	-2.0
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2034	200-SC	24.18	19.02	-2.0	-2.0	2034	200-SC	24.17	18.07	-2.0	-2.0
345.00 Accessory Electric Equipment	2034	200-SC	24.25	19.02	-2.0	-2.0	2034	200-SC	24.26	18.07	-2.0	-2.0
346.00 Miscellaneous Power Plant Equipment	2034	200-SC	20.58	19.02	-2.0	-2.0	2034	200-SC	20.58	18.07	-2.0	-2.0
<b>Total Luverne Wind Generation</b>									24.17	18.07	-2.0	-2.0
<b><u>Solway Combustion Turbine</u></b>												
341.00 Structures and Improvements	2038	200-SC	32.95	22.79	-0.4	-0.4	2038	200-SC	32.98	21.85	-0.4	-0.4
342.00 Fuel Holders and Accessories	2038	200-SC	33.45	22.79	-0.4	-0.4	2038	200-SC	33.48	21.85	-0.4	-0.4
343.00 Prime Movers	2038	200-SC	33.22	22.79	-0.4	-0.4	2038	200-SC	33.10	21.85	-0.7	-0.4
344.00 Generators												
345.00 Accessory Electric Equipment	2038	200-SC	33.22	22.79	-0.4	-0.4	2038	200-SC	32.42	21.85	-0.4	-0.4
346.00 Miscellaneous Power Plant Equipment	2038	200-SC	32.09	22.79	-0.4	-0.4	2038	200-SC	32.11	21.85	-0.4	-0.4
<b>Total Solway Combustion Turbine</b>									33.05	21.85	-0.6	-0.4
<b><u>Fergus Falls Control Center</u></b>												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories												
343.00 Prime Movers	2030	200-SC	33.94	15.18	0.6		2030	200-SC	33.99	14.22	0.6	
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
<b>Total Fergus Falls Control Center</b>									33.99	14.22	0.6	

**OTTER TAIL POWER COMPANY**  
Plant Activity for 2015

Statement G

Account Description A	Beginning Balance B	Additions C	Retirements D	Adjustments E	Transfers F	Ending Balance G
<b>STEAM PRODUCTION</b>						
311.00 Structures and Improvements	\$ 61,217,980	\$ 63,405,719	\$ 289,384		(\$48,259)	\$ 124,286,056
312.00 Boiler Plant Equipment	210,531,164	136,145,735	24,547,320		(6,932,417)	315,197,162
312.10 Boiler Plant Equipment - Ash Pond					6,980,676	6,980,676
314.00 Turbo Generator Units	64,778,484	1,550,083	856,307			65,472,261
315.00 Accessory Electric Equipment	24,055,622	12,909,819	369,621			36,595,821
316.00 Misc. Power Plant Equipment	5,465,565	862,224	89,759			6,238,030
<b>Total Steam Production</b>	<b>\$ 366,048,815</b>	<b>\$ 214,873,581</b>	<b>\$ 26,152,390</b>			<b>\$ 554,770,006</b>
<b>HYDRAULIC PRODUCTION</b>						
331.00 Structures and Improvements	\$ 351,712					\$ 351,712
332.00 Reservoirs, Dams and Waterways	4,264,061	12,994				4,277,054
333.00 Water Wheels, Turbines and Gen.	1,373,867					1,373,867
334.00 Accessory Electric Equipment	592,400					592,400
335.00 Misc. Power Plant Equipment	442,624					442,624
<b>Total Hydraulic Production</b>	<b>\$ 7,024,664</b>	<b>\$ 12,994</b>	<b>\$ -</b>			<b>\$ 7,037,658</b>
<b>OTHER PRODUCTION</b>						
341.00 Structures and Improvements	\$ 12,946,209					\$ 12,946,209
342.00 Fuel Holders and Accessories	1,748,266					1,748,266
343.00 Prime Movers	31,809,695	182,859	95,040			31,897,513
344.00 Generators	241,245,031	876,650	608,740			241,512,941
345.00 Accessory Electric Equipment	20,524,064	87,430	65,212			20,546,283
346.00 Misc. Power Plant Equipment	590,942	29,500	14,774			605,668
<b>Total Other Production</b>	<b>\$ 308,864,206</b>	<b>\$ 1,176,439</b>	<b>\$ 783,765</b>			<b>\$ 309,256,880</b>
<b>TRANSMISSION PLANT</b>						
353.00 Station Equipment	\$ 79,546,489	\$ 6,774,458	\$ 549,298		\$ (303,581)	\$ 85,468,068
354.00 Towers and Fixtures	44,899,477	38,910,440			2,075,127	85,885,043
355.00 Poles and Fixtures	99,696,518	9,947,885	367,304		(2,058,769)	107,218,331
356.00 Overhead Conductors and Devices	91,542,146	10,997,031	307,231		(16,359)	102,215,587
358.00 Underground Conductors and Devices	77,461					77,461
<b>Total Transmission Plant</b>	<b>\$ 315,762,090</b>	<b>\$ 66,629,813</b>	<b>\$ 1,223,832</b>		<b>\$ (303,581)</b>	<b>\$ 380,864,490</b>

**OTTER TAIL POWER COMPANY**  
Plant Activity for 2015

Statement G

Account Description	Beginning Balance	Additions	Retirements	Adjustments	Transfers	Ending Balance
A	B	C	D	E	F	G
<b>DISTRIBUTION PLANT</b>						
362.00 Station Equipment	\$ 74,334,664	\$ 2,680,086	\$ 1,735,567		\$ 216,773	\$ 75,495,956
364.00 Poles, Towers and Fixtures	67,912,729	1,619,110	103,077			69,428,763
365.00 Overhead Conductors and Devices	48,201,537	1,100,587	147,768		(9,089)	49,145,267
367.00 Underground Conductors and Devices	69,172,477	2,750,042	263,127		16,886	71,676,278
368.00 Line Transformers	85,366,296	4,849,271	521,544		67,990	89,762,013
369.00 Overhead Services	12,630,691	227,237	20,887		200	12,837,241
369.10 Underground Services	37,979,687	1,676,571	47,075			39,609,183
370.00 Meters	23,663,645	1,284,430	704,860			24,243,214
370.10 Load Management Switches	8,701,822		20,767			8,681,054
370.20 Interruption Monitors	77,857		41,275			36,582
371.20 Other Private Lighting	4,348,944	282,471	149,037		(200)	4,482,178
373.00 Street Lighting and Signal Systems	4,982,666	259,850	85,536			5,156,980
<b>Total Distribution Plant</b>	<b>\$ 437,373,015</b>	<b>\$ 16,729,654</b>	<b>\$ 3,840,521</b>		<b>\$ 292,560</b>	<b>\$ 450,554,709</b>
<b>GENERAL PLANT</b>						
390.00 Structures and Improvements	\$ 19,725,895	\$ 84,622	\$ 55,818		(\$18,765)	\$ 19,735,934
390.10 General Office Buildings	5,710,057	2,542				5,712,599
390.20 Fleet Service Center Buildings	931,469	10,740	4,531			937,678
390.30 Central Stores Building	4,022,537				3,813	4,026,350
391.00 Office Furniture	1,519,789	3,496	222,627		14,952	1,315,610
391.10 Office Equipment	828,799	2,275	22,843			808,231
391.20 Duplicating Equipment	401,136	32,207				433,343
391.50 Computer Systems	4,245,167	591,899				4,837,066
391.60 Computer Related Equipment	1,801,698	261,991			23,948	2,087,637
394.00 Tools, Shop and Garage Equipment	3,806,191	336,075	190,325		(23,948)	3,927,992
394.20 Automated Meter Reading Equipment	603,637	13,934				617,570
396.00 Power Operated Equipment	605,062					605,062
397.00 Communication Equipment	896,010		22,429			873,580
397.10 Radio Telecommunications Equipment	1,208,657		1,660			1,206,997
397.20 Microwave Equipment	4,377,222	317,670	69,248			4,625,643
397.30 Radio Load Control Equipment	317,859					317,859
397.40 Communication Equipment - Towers	1,879,323		2,353		11,792	1,888,762
<b>Total General Plant</b>	<b>\$ 52,880,507</b>	<b>\$ 1,657,450</b>	<b>\$ 591,834</b>		<b>\$ 11,792</b>	<b>\$ 53,957,915</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 1,487,953,298</b>	<b>\$ 301,079,931</b>	<b>\$ 32,592,342</b>		<b>\$ 770</b>	<b>\$ 1,756,441,657</b>

**OTTER TAIL POWER COMPANY**  
Analysis of Depreciation Reserve for 2015

Statement H

Account Description	Beginning Balance	Credits		Debits		Other Credits (Debits)	Ending Balance
		Accruals	Gross Salvage	Retirements	Cost of Removal		
A	B	C	D	E	F	G	H
<b>STEAM PRODUCTION</b>							
311.00 Structures and Improvements	\$ 47,674,634	\$ 854,964		\$ 289,384	\$ 18,093	\$ (53,240)	\$ 48,168,882
312.00 Boiler Plant Equipment	134,192,065	5,827,377	35,882	24,547,320	1,452,918	(2,278,523)	111,776,563
312.10 Boiler Plant Equipment - Ash Pond						2,331,763	2,331,763
314.00 Turbo Generator Units	39,755,612	1,541,090		856,307	14,062		40,426,334
315.00 Accessory Electric Equipment	16,827,164	430,296	37,863	369,621	1,024		16,924,678
316.00 Misc. Power Plant Equipment	3,196,628	153,965	25,254	89,759	137		3,285,952
<b>Total Steam Production</b>	<b>\$ 241,646,103</b>	<b>\$ 8,807,692</b>	<b>\$ 99,000</b>	<b>\$ 26,152,390</b>	<b>\$ 1,486,233</b>	<b>\$ -</b>	<b>\$ 222,914,172</b>
<b>HYDRAULIC PRODUCTION</b>							
331.00 Structures and Improvements	\$ 213,672	\$ 18,580					\$ 232,252
332.00 Reservoirs, Dams and Waterways	1,591,613	359,808					1,951,421
333.00 Water Wheels, Turbines and Gen.	883,809	65,959					949,768
334.00 Accessory Electric Equipment	384,002	28,049					412,050
335.00 Misc. Power Plant Equipment	121,264	43,252					164,516
<b>Total Hydraulic Production</b>	<b>\$ 3,194,359</b>	<b>\$ 515,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,710,007</b>
<b>OTHER PRODUCTION</b>							
341.00 Structures and Improvements	\$ 3,755,151	\$ 468,960					\$ 4,224,111
342.00 Fuel Holders and Accessories	777,498	62,056					839,554
343.00 Prime Movers	15,507,645	814,999		95,040	55,500		16,172,104
344.00 Generators	55,818,760	9,947,164	3,800	608,740	51,800		65,109,184
345.00 Accessory Electric Equipment	5,353,889	817,132	7,500	65,212	7,500		6,105,810
346.00 Misc. Power Plant Equipment	169,849	22,273	11,200	14,774			188,548
<b>Total Other Production</b>	<b>\$ 81,382,792</b>	<b>\$ 12,132,584</b>	<b>\$ 22,500</b>	<b>\$ 783,765</b>	<b>\$ 114,800</b>	<b>\$ -</b>	<b>\$ 92,639,311</b>
<b>TRANSMISSION PLANT</b>							
353.00 Station Equipment	\$ 18,443,973	\$ 1,258,452	\$ 16,192	\$ 549,298	\$ 66,782	\$ (31,594)	\$ 19,070,943
354.00 Towers and Fixtures	3,316,776	1,324,292				3,997	4,645,065
355.00 Poles and Fixtures	45,131,292	2,000,211	57,860	367,304	151,535	(3,740)	46,666,786
356.00 Overhead Conductors and Devices	36,194,522	1,670,516	26,331	307,231	104,323	(257)	37,479,558
358.00 Underground Conductors and Devices	70,392	1,059					71,452
<b>Total Transmission Plant</b>	<b>\$ 103,156,956</b>	<b>\$ 6,254,530</b>	<b>\$ 100,383</b>	<b>\$ 1,223,832</b>	<b>\$ 322,640</b>	<b>\$ (31,594)</b>	<b>\$ 107,933,803</b>

**OTTER TAIL POWER COMPANY**  
Analysis of Depreciation Reserve for 2015

Statement H

Account Description	Beginning Balance	Credits		Debits		Other Credits (Debits)	Ending Balance
		Accruals	Gross Salvage	Retirements	Cost of Removal		
A	B	C	D	E	F	G	H
<b>DISTRIBUTION PLANT</b>							
362.00 Station Equipment	\$ 20,417,406	\$ 1,563,381	\$ 278,879	\$ 1,735,567	\$ 237,204	\$ 28,652	\$ 20,315,547
364.00 Poles, Towers and Fixtures	37,773,763	1,685,329	109,106	103,077	265,194		39,199,927
365.00 Overhead Conductors and Devices	37,341,602	1,340,952	52,558	147,768	125,305	(217)	38,461,822
367.00 Underground Conductors and Devices	32,716,632	1,628,484	38,951	263,127	63,816	710	34,057,834
368.00 Line Transformers	12,691,280	1,080,165	405,508	521,544	361,287	1,494	13,295,616
369.00 Overhead Services	14,243,376	527,910	1,559	20,887	120,586	65	14,631,437
369.10 Underground Services	15,620,362	991,724		47,075	31,800		16,533,211
370.00 Meters	8,131,156	766,636	1,939	704,860	1		8,194,870
370.10 Load Management Switches	5,710,390	838,869		20,767	3		6,528,489
370.20 Interruption Monitors	57,408	15,571		41,275			31,704
371.20 Other Private Lighting	1,068,937	170,083	10,696	149,037	9,471	(65)	1,091,142
373.00 Street Lighting and Signal Systems	2,692,808	170,091	2,636	85,536	4,269		2,775,730
<b>Total Distribution Plant</b>	<b>\$ 188,465,119</b>	<b>\$ 10,779,196</b>	<b>\$ 901,832</b>	<b>\$ 3,840,521</b>	<b>\$ 1,218,937</b>	<b>\$ 30,639</b>	<b>\$ 195,117,328</b>
<b>GENERAL PLANT</b>							
390.00 Structures and Improvements	\$ 5,053,735	\$ 400,197	\$ 731	\$ 55,818	\$ 4,218	\$ (235)	\$ 5,394,392
390.10 General Office Buildings	2,424,733	21,356					2,446,088
390.20 Fleet Service Center Buildings	490,532	7,190		4,531			493,191
390.30 Central Stores Building	1,974,815	(82,675)				22	1,892,161
391.00 Office Furniture	949,639	96,223		222,627		213	823,448
391.10 Office Equipment	454,212	82,626		22,843			513,995
391.20 Duplicating Equipment	247,545	40,650					288,196
391.50 Computer Systems	2,258,913	855,626					3,114,539
391.60 Computer Related Equipment	968,006	372,588				9,871	1,350,464
394.00 Tools, Shop and Garage Equipment	1,540,891	251,091		190,325		(9,871)	1,591,786
394.20 Automated Meter Reading Equipment	299,654	40,242					339,897
396.00 Power Operated Equipment	199,653	16,700					216,353
397.00 Communication Equipment	327,755	59,734		22,429			365,060
397.10 Radio Telecommunications Equipment	477,274	120,866		1,660			596,480
397.20 Microwave Equipment	1,957,486	294,091		69,248	242		2,182,086
397.30 Radio Load Control Equipment	98,985	31,786					130,770
397.40 Communication Equipment - Towers	818,202	37,678		2,353		960	854,487
<b>Total General Plant</b>	<b>\$ 20,542,030</b>	<b>\$ 2,645,968</b>	<b>\$ 731</b>	<b>\$ 591,834</b>	<b>\$ 4,461</b>	<b>\$ 960</b>	<b>\$ 22,593,394</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 638,387,359</b>	<b>\$ 41,135,618</b>	<b>\$ 1,124,446</b>	<b>\$ 32,592,342</b>	<b>\$ 3,147,070</b>	<b>\$ 5</b>	<b>\$ 644,908,015</b>

**OTTER TAIL POWER COMPANY**  
 Summary of Annual Depreciation Accruals for 2015

Statement I

Account Description A	Beginning Plant	Est. Future Net Salvage		Beginning Depreciation	Net	Projection	Remaining	Annual	Accrual	
	Balance B	Percent C	Amount D	Reserve E	Balance F=B-D-E	Life (Yrs.) G	Life (Yrs.) H	Accrual I=F/H	Rate J=I/B	
<b>STEAM PRODUCTION</b>										
311.00 Structures and Improvements	\$ 61,217,980	-10.3%	\$ (6,305,452)	\$ 47,674,634	\$ 19,848,798		25.04	\$ 792,684	1.29%	
312.00 Boiler Plant Equipment	210,531,164	-10.8%	(22,737,366)	134,192,065	99,076,465		20.50	4,832,998	2.30%	
312.10 Boiler Plant Equipment - Ash Pond										
314.00 Turbo Generator Units	64,778,484	-11.0%	(7,125,633)	39,755,612	32,148,506		23.87	1,346,816	2.08%	
315.00 Accessory Electric Equipment	24,055,622	-10.5%	(2,525,840)	16,827,164	9,754,299		23.70	411,574	1.71%	
316.00 Misc. Power Plant Equipment	5,465,565	-10.8%	(590,281)	3,196,628	2,859,218		19.71	145,064	2.65%	
<b>Total Steam Production</b>	<b>\$ 366,048,815</b>	<b>-10.7%</b>	<b>\$ (39,284,572)</b>	<b>\$ 241,646,103</b>	<b>\$ 163,687,285</b>		<b>21.74</b>	<b>\$ 7,529,136</b>	<b>2.06%</b>	
<b>HYDRAULIC PRODUCTION</b>										
331.00 Structures and Improvements	\$ 351,712		\$ -	\$ 213,672	\$ 138,039		7.43	\$ 18,579	5.28%	
332.00 Reservoirs, Dams and Waterways	4,264,061			1,591,613	2,672,448		7.43	359,683	8.44%	
333.00 Water Wheels, Turbines and Gen.	1,373,867			883,809	490,058		7.43	65,957	4.80%	
334.00 Accessory Electric Equipment	592,400			384,002	208,398		7.43	28,048	4.73%	
335.00 Misc. Power Plant Equipment	442,624			121,264	321,361		7.43	43,252	9.77%	
<b>Total Hydraulic Production</b>	<b>\$ 7,024,664</b>		<b>\$ -</b>	<b>\$ 3,194,359</b>	<b>\$ 3,830,305</b>		<b>7.43</b>	<b>\$ 515,519</b>	<b>7.34%</b>	
<b>OTHER PRODUCTION</b>										
341.00 Structures and Improvements	\$ 12,946,209	-1.2%	\$ (155,355)	\$ 3,755,151	\$ 9,346,412		19.84	\$ 471,089	3.64%	
342.00 Fuel Holders and Accessories	1,748,266	-1.0%	(17,483)	777,498	988,251		15.91	62,115	3.55%	
343.00 Prime Movers	31,809,695	-0.8%	(254,478)	15,507,645	16,556,527		19.41	852,990	2.68%	
344.00 Generators	241,245,031	-1.5%	(3,618,675)	55,818,760	189,044,946		19.01	9,944,500	4.12%	
345.00 Accessory Electric Equipment	20,524,064	-1.5%	(307,861)	5,353,889	15,478,036		18.90	818,944	3.99%	
346.00 Misc. Power Plant Equipment	590,942	-0.8%	(4,728)	169,849	425,821		19.21	22,167	3.75%	
<b>Total Other Production</b>	<b>\$ 308,864,206</b>		<b>\$ (4,358,579)</b>	<b>\$ 81,382,792</b>	<b>\$ 231,839,992</b>		<b>19.05</b>	<b>\$ 12,171,804</b>	<b>3.94%</b>	
<b>TRANSMISSION PLANT</b>										
353.00 Station Equipment	\$ 79,546,489	-5.0%	\$ (3,977,324)	\$ 18,443,973	\$ 65,079,840	65.00	52.96	\$ 1,228,849	1.54%	
354.00 Towers and Fixtures	44,899,477	-10.0%	(4,489,948)	3,316,776	46,072,648	70.00	55.88	824,493	1.84%	
355.00 Poles and Fixtures	99,696,518	-50.0%	(49,848,259)	45,131,292	104,413,485	70.00	53.85	1,938,969	1.94%	
356.00 Overhead Conductors and Devices	91,542,146	-30.0%	(27,462,644)	36,194,522	82,810,267	70.00	53.33	1,552,790	1.70%	
358.00 Underground Conductors and Devices	77,461	-5.0%	(3,873)	70,392	10,941	40.00	10.33	1,059	1.37%	
<b>Total Transmission Plant</b>	<b>\$ 315,762,090</b>	<b>-27.2%</b>	<b>\$ (85,782,048)</b>	<b>\$ 103,156,956</b>	<b>\$ 298,387,182</b>		<b>53.80</b>	<b>\$ 5,546,159</b>	<b>1.76%</b>	

**OTTER TAIL POWER COMPANY**  
Summary of Annual Depreciation Accruals for 2015

Statement I

Account Description A	Beginning Plant	Est. Future Net Salvage		Beginning Depreciation	Net	Projection	Remaining	Annual	Accrual	
	Balance B	Percent C	Amount D	Reserve E	Balance F=B-D-E	Life (Yrs.) G	Life (Yrs.) H	Accrual I=F/H	Rate J=I/B	
<b>DISTRIBUTION PLANT</b>										
362.00 Station Equipment	\$ 74,334,664	5.0%	\$ 3,716,733	\$ 20,417,406	\$ 50,200,525	40.00	32.24	\$ 1,557,088	2.09%	
364.00 Poles, Towers and Fixtures	67,912,729	-75.0%	(50,934,547)	37,773,763	81,073,513	68.00	48.37	1,676,111	2.47%	
365.00 Overhead Conductors and Devices	48,201,537	-100.0%	(48,201,537)	37,341,602	59,061,473	65.00	44.11	1,338,959	2.78%	
367.00 Underground Conductors and Devices	69,172,477	-5.0%	(3,458,624)	32,716,632	39,914,468	40.00	24.63	1,620,563	2.34%	
368.00 Line Transformers	85,366,296	50.0%	42,683,148	12,691,280	29,991,868	40.00	28.20	1,063,541	1.25%	
369.00 Overhead Services	12,630,691	-150.0%	(18,946,037)	14,243,376	17,333,351	55.00	32.98	525,572	4.16%	
369.10 Underground Services	37,979,687	-20.0%	(7,595,937)	15,620,362	29,955,263	45.00	30.51	981,818	2.59%	
370.00 Meters	23,663,645			8,131,156	15,532,489	28.00	20.69	750,724	3.17%	
370.10 Load Management Switches	8,701,822			5,710,390	2,991,432	12.00	3.56	840,290	9.66%	
370.20 Interruption Monitors*	77,857			57,408	20,449	5.00	1.97			
371.20 Other Private Lighting	4,348,944	10.0%	434,894	1,068,937	2,845,113	23.00	17.01	167,261	3.85%	
373.00 Street Lighting and Signal Systems	4,982,666	-5.0%	(249,133)	2,692,808	2,538,992	22.00	15.24	166,601	3.34%	
<b>Total Distribution Plant</b>	<b>\$ 437,373,015</b>	<b>-18.9%</b>	<b>\$ (82,551,040)</b>	<b>\$ 188,465,119</b>	<b>\$ 331,458,936</b>		<b>31.01</b>	<b>\$ 10,688,529</b>	<b>2.44%</b>	
<b>GENERAL PLANT</b>										
390.00 Structures and Improvements	\$ 19,725,895	10.0%	\$ 1,972,590	\$ 5,053,735	\$ 12,699,571	47.00	31.71	\$ 400,491	2.03%	
390.10 General Office Buildings	5,710,057	51.5%	2,940,679	2,424,733	344,645		16.14	21,353	0.37%	
390.20 Fleet Service Center Buildings	931,469	38.6%	359,547	490,532	81,390		11.32	7,190	0.77%	
390.30 Central Stores Building	4,022,537	93.8%	3,773,140	1,974,815	(1,725,418)		20.87	(82,675)	-2.06%	
391.00 Office Furniture*	1,519,789			949,639	570,150	15.00				
391.10 Office Equipment*	828,799			454,212	374,587	10.00				
391.20 Duplicating Equipment*	401,136			247,545	153,590	10.00				
391.50 Computer Systems*	4,245,167			2,258,913	1,986,254	5.00				
391.60 Computer Related Equipment*	1,801,698			968,006	833,693	5.00				
394.00 Tools, Shop and Garage Equipment*	3,806,191			1,540,891	2,265,300	15.00				
394.20 Automated Meter Reading Equipment*	603,637			299,654	303,982	15.00				
396.00 Power Operated Equipment	605,062	20.0%	121,012	199,653	284,397	24.00	17.03	16,700	2.76%	
397.00 Communication Equipment*	896,010			327,755	568,254	15.00				
397.10 Radio Telecommunications Equipment*	1,208,657			477,274	731,383	10.00				
397.20 Microwave Equipment*	4,377,222			1,957,486	2,419,736	15.00				
397.30 Radio Load Control Equipment*	317,859			98,985	218,874	10.00				
397.40 Communication Equipment - Towers	1,879,323	5.0%	93,966	818,202	967,155	40.00	25.69	37,647	2.00%	
<b>Total General Plant</b>	<b>\$ 52,880,507</b>	<b>17.5%</b>	<b>\$ 9,260,934</b>	<b>\$ 20,542,030</b>	<b>\$ 23,077,544</b>		<b>57.59</b>	<b>\$ 400,707</b>	<b>0.76%</b>	
<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 1,487,953,298</b>	<b>-13.6%</b>	<b>\$ (202,715,305)</b>	<b>\$ 638,387,359</b>	<b>\$ 1,052,281,244</b>		<b>28.55</b>	<b>\$ 36,851,854</b>	<b>2.48%</b>	

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

**OTTER TAIL POWER COMPANY**  
**2016 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION**  
**PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2017**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
<b>STEAM PRODUCTION</b>				
<u>Big Stone Plant</u>				
311-101	Structures & Improvements	29.32	-6.0%	
312-101	Boiler Plant Equipment	29.32	-6.0%	
314-101	Turbogenerator Units	29.29	-6.0%	
315-101	Accessory Electric Equipment	29.31	-6.0%	
316-101	Misc. Power Plant Equipment	29.29	-5.6%	
<u>Hoot Lake Plant - Units 2 &amp; 3</u>				
311-102	Structures & Improvements	5.46	-13.5%	
312-102	Boiler Plant Equipment	5.46	-13.5%	
312.1-102	Boiler Plant Equipment	33.91		
314-102	Turbogenerator Units	5.46	-13.5%	
315-102	Accessory Electric Equipment	5.46	-13.5%	
316-102	Misc. Power Plant Equipment	5.46	-13.4%	
<u>Coyote Station</u>				
311-103	Structures & Improvements	24.62	-8.5%	
312-103	Boiler Plant Equipment	24.63	-8.5%	
314-103	Turbogenerator Units	24.65	-8.5%	
315-103	Accessory Electric Equipment	24.63	-8.5%	
316-103	Misc. Power Plant Equipment	24.65	-8.2%	
<b>HYDRAULIC PRODUCTION</b>				
<u>Hoot Lake Hydro Unit</u>				
331-131	Structures & Improvements	5.46	0.0%	
332-131	Reservoirs, Dams & Waterways	5.46	0.0%	
333-131	Water Wheels, Turbines & Gen.	5.46	0.0%	
334-131	Accessory Electric Equipment	5.46	0.0%	
335-131	Misc. Power Plant Equipment	5.46	0.0%	
<u>Wright Hydro Unit</u>				
331-132	Structures & Improvements	5.46	0.0%	
332-132	Reservoirs, Dams & Waterways	5.46	0.0%	
333-132	Water Wheels, Turbines & Gen.	5.46	0.0%	
334-132	Accessory Electric Equipment	5.46	0.0%	
335-132	Misc. Power Plant Equipment	5.46	0.0%	
<u>Pisgah Hydro Unit</u>				
331-133	Structures & Improvements	5.46	0.0%	
332-133	Reservoirs, Dams & Waterways	5.46	0.0%	
333-133	Water Wheels, Turbines & Gen.	5.46	0.0%	
334-133	Accessory Electric Equipment	5.46	0.0%	
335-133	Misc. Power Plant Equipment	5.46	0.0%	
<u>Dayton Hollow Hydro Unit</u>				
331-134	Structures & Improvements	5.46	0.0%	
332-134	Reservoirs, Dams & Waterways	5.46	0.0%	
333-134	Water Wheels, Turbines & Gen.	5.46	0.0%	
334-134	Accessory Electric Equipment	5.46	0.0%	
335-134	Misc. Power Plant Equipment	5.46	0.0%	
<u>Taplin Gorge Hydro Unit</u>				
331-135	Structures & Improvements	5.45	0.0%	

**OTTER TAIL POWER COMPANY**  
**2016 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION**  
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<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
332-135	Reservoirs, Dams & Waterways	5.46	0.0%	
333-135	Water Wheels, Turbines & Gen.	5.45	0.0%	
334-135	Accessory Electric Equipment	5.46	0.0%	
335-135	Misc. Power Plant Equipment	5.46	0.0%	
<u>Bemidji Hydro Unit</u>				
331-138	Structures & Improvements	5.46	0.0%	
332-138	Reservoirs, Dams & Waterways	5.46	0.0%	
333-138	Water Wheels, Turbines & Gen.	5.46	0.0%	
334-138	Accessory Electric Equipment	5.45	0.0%	
335-138	Misc. Power Plant Equipment	5.46	0.0%	
<b>OTHER PRODUCTION</b>				
<u>Jamestown Unit 1</u>				
341-140	Structures & Improvements	7.43	-1.4%	
342-140	Fuel Holders & Accessories	7.43	-1.4%	
343-140	Prime Movers	7.43	-1.4%	
345-140	Accessory Electric Equipment	7.42	-1.4%	
346-140	Misc. Power Plant Equipment	7.43	-1.4%	
<u>Jamestown Unit 2</u>				
341-142	Structures & Improvements	7.43	-1.4%	
342-142	Fuel Holders & Accessories	7.42	-1.4%	
343-142	Prime Movers	7.42	-1.4%	
345-142	Accessory Electric Equipment	7.43	-1.4%	
346-142	Misc. Power Plant Equipment	7.42	-1.4%	
<u>Lake Preston</u>				
341-141	Structures & Improvements	7.43	-2.4%	
342-141	Fuel Holders & Accessories	7.43	-2.4%	
343-141	Prime Movers	7.42	-2.4%	
345-141	Accessory Electric Equipment	7.42	-2.4%	
346-141	Misc. Power Plant Equipment	7.42	-2.4%	
<u>Fergus Falls Control Center</u>				
343-143	Prime Movers	14.22	0.0%	
<u>Solway Combustion Turbine Plant</u>				
341-144	Structures & Improvements	21.85	-0.4%	
342-144	Fuel Holders & Accessories	21.85	-0.4%	
343-144	Prime Movers	21.85	-0.4%	
345-144	Accessory Electric Equipment	21.85	-0.4%	
346-144	Misc. Power Plant Equipment	21.85	-0.4%	
<u>Langdon Wind Energy Center</u>				
341-160	Structures & Improvements	16.15	-1.4%	
344-160	Generators	16.15	-1.4%	
345-160	Accessory Electric Equipment	16.15	-1.4%	
346-160	Misc. Power Plant Equipment	16.16	-1.5%	
<u>Ashtabula Wind Energy Center</u>				
341-161	Structures & Improvements	17.11	-1.2%	
344-161	Generators	17.11	-1.2%	
345-161	Accessory Electric Equipment	17.11	-1.2%	

**OTTER TAIL POWER COMPANY**  
**2016 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION**  
**PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2017**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
346-161	Misc. Power Plant Equipment	17.11	-1.2%	
	<u>Luverne Wind Energy Center</u>			
341-162	Structures & Improvements	18.07	-2.0%	
344-162	Generators	18.07	-2.0%	
345-162	Accessory Electric Equipment	18.07	-2.0%	
346-162	Misc. Power Plant Equipment	18.07	-2.0%	
<b>TRANSMISSION</b>				
353	Station Equipment	53.06	-5.0%	
354	Towers & Fixtures	66.45	-10.0%	
355	Poles & Fixtures	54.30	-50.0%	
356	Overhead Conductor & Devices	55.22	-30.0%	
358	Underground Conductor & Devices	9.36	-5.0%	
<b>DISTRIBUTION</b>				
362	Station Equipment	32.11	5.0%	
364	Poles, Towers & Fixtures	47.61	-75.0%	
365	Overhead Conductor & Devices	43.53	-100.0%	
367	Underground Conductor & Devices	24.39	-5.0%	
368	Line Transformers	28.21	50.0%	
369	Overhead Services	32.19	-150.0%	
369.1	Underground Services	29.99	-20.0%	
370	Meters	20.69	0.0%	
370.1	Load Management Switches	2.12	0.0%	
370.20	Interruption Monitors			5
371.20	Other Private Lighting	16.83	10.0%	
373	Street Lighting & Signal System	15.03	-5.0%	
<b>GENERAL PLANT</b>				
<b>Depreciable</b>				
390	Structures & Improvements	30.54	10.0%	
390.1	General Office Buildings	14.22	49.6%	
390.2	Fleet Service Center Buildings	9.38	33.6%	
390.3	Central Stores Building	18.98	92.6%	
396	Power Operated Equipment	16.89	20.0%	
397.4	Communication Towers	24.13	5.0%	
<b>Amortizable</b>				
391	Office Furniture			15
391.1	Office Equipment			10
391.2	Duplicating Equipment			10
391.5	Computer Systems			5
391.6	Computer Related Equipment			5
393	Stores Equipment			15
394	Tools, Shop & Garage Equipment			15
394.2	Automated Meter Reading Equip.			15
395	Laboratory Equipment			15
397	Communication Equipment			15
397.1	Radio Telecom Equipment			10
397.2	Microwave Equipment			15
397.3	Radio Load Control Equipment			10

Source is Statement A from Foster Report

**OTTER TAIL POWER COMPANY**  
**ANNUAL REVIEW OF DEPRECIATION CERTIFICATION**  
**Supplemental Comments**

**Future Additions and Retirements**

As indicated in the 2016 Annual Depreciation Study (Attachment 1):

“Minnesota State Agency Rules 7825.0700, Subpart 2-B provides that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results.” (See page 4 of the Study).

Otter Tail Power Company placed into service in 2015 the Big Stone Plant’s (“BSP”) Air Quality Control System (“AQCS”) project. Otter Tail and the other owners of the Big Stone Plant constructed the AQCS for the Plant to comply with the Environmental Protection Agency (“EPA”) Regional Haze Rules. Big Stone Plant entered the construction phase of the AQCS in 2013 and completed the project in 2015 at a cost of \$199.2 million (OTP share) through December, 2015.

Additionally, Otter Tail has invested in the CapX 2020 transmission line build out initiative in Minnesota. CapX 2020 project segments went into service from 2012 through 2015 with the final line segments from the original CAPX projects Otter Tail partnered with placed into service in 2015.

With respect to retirements, Otter Tail is unaware of any major future retirements that would materially affect this filing’s certification results.

In addition to discussing future additions or retirements affecting the current certification results, it is the Company’s practice to also discuss future additions and retirements and potential future additions and retirements that may have an effect on *future* depreciation expense or *future* certification results. Otter Tail’s 2013 five-year depreciation filing provided some discussion of these projects and we provide below additional updates on current projects or ones being considered.

Otter Tail is actively participating in the development of two new 345 kV transmission projects and corresponding substation upgrades in the Big Stone area. We are working closely with MISO and area utilities on these projects, which are part of MISO’s Multi-Value Project (“MVP”) portfolio. The two 345 kV projects are under construction; Big Stone South – Brookings and Big Stone South – Ellendale. These projects are eligible for regional cost sharing under MISO’s FERC-approved MVP cost allocation methodology. These projects are in the construction phase and are expected to go into service in phases from 2016 through the early 2019 timeframe at an estimated cost of \$255M OTP share.

**OTTER TAIL POWER COMPANY  
2016 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION  
Comparison of Resource Plan to Annual Depreciation Filing**

Generating Unit	Retirement Dates			Comments
	Resource Plan 2014 - 2028, (prior to capacity expansion analysis)	2016 Depreciation Study (Attachment No. 1)	Difference	
<b>BASE LOAD</b>				
> Hoot Lake Plant Units 2 & 3	Dec-2020	Jun-2021	None, other than program assumption differences	The last approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. In the current IRP filing before the Commission, June, 2021 is adopted as the retirement month which matches the Depreciation filing.
> Big Stone Plant	Dec-2046	Jun-2046	None, other than program assumption differences	The last approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. In the current IRP filing before the Commission, June, 2046 is adopted as the retirement month which matches the Depreciation filing.
> Coyote Station	Dec-2041	Jun-2041	None, other than program assumption differences	The last approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. In the current IRP filing before the Commission, June, 2041 is adopted as the retirement month which matches the Depreciation filing.
<b>WIND</b>				
> Langdon Wind Energy Center	Dec-2032	Jun-2032	None, other than program assumption differences	The last approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. In the current IRP filing before the Commission, December, 2032 is maintained as the retirement month.
> Ashtabula Wind Energy Center	Dec-2033	Jun-2033	None, other than program assumption differences	The last approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. In the current IRP filing before the Commission, December, 2033 is maintained as the retirement month.
> Luverne Wind Energy Center	Dec-2034	Jun-2034	None, other than program assumption differences	The last approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. In the current IRP filing before the Commission, December, 2034 is maintained as the retirement month.
<b>HYDRO</b>				
> 6 units in 5 dams on the Otter Tail River, FERC licensed	No retirement date discussed - IRP assumes operating perpetually	Jun-2021	Program assumption differences	The latest approved and the currently proposed IRP's assume these permanent hydro dam structures operate perpetually until a final retirement date is established. Depreciation Studies tie the retirement date to end of the current active FERC hydro operating license. This is the latest date these facilities can operate as generation resources until a new license renewal is granted pursuant to the satisfaction of its stated conditions. OTP is currently evaluating renewing its FERC Hydro license.
> 2 units on outlet of Lake Bemidji - not subject to FERC jurisdiction	No retirement date discussed - IRP assumes operating perpetually	Jun-2021	Program assumption differences	The latest approved and the currently proposed IRP assumes permanent hydro dam structures operate perpetually until a final retirement date is established. Depreciation Studies tie retirement date to end of current hydro license for other hydro structures which are of a similar vintage.
<b>PEAKING</b>				
> Jamestown Combustion Turbines - 2 units	Dec-2029	Jun-2023	6 years	The last approved IRP assumes operation of this low cost resources through the entire resource plan time frame. The IRP before the Commission now incorporates a retirement month of Jun, 2033, the same as the depreciation filing. The Depreciation filing makes annual assessments on the condition of the facility and if it passes the assessment, it extends the plant life an additional year per policy to maintain a 10 year minimum operating window until the unit is no longer prudent to operate. The 2016 assessment determined a one year extension this year was not warranted.
> Lake Preston Combustion Turbine	Dec-2029	Jun-2023	6 years	The last approved IRP assumes operation of this low cost resources through the entire resource plan time frame. The IRP before the Commission now incorporates a retirement month of Jun, 2033, the same as the depreciation filing. The Depreciation filing makes annual assessments on the condition of the facility and if it passes the assessment, it extends the plant life an additional year per policy to maintain a 10 year minimum operating window until the unit is no longer prudent to operate. The 2016 assessment determined a one year extension this year was not warranted.
> Solway Combustion Turbine	Dec-2038	Jun-2038	None, other than program assumption differences	The latest approved IRP adopted December of the year of retirement as its retirement month. The Depreciation Study adopts a mid-year convention where all assets are assumed to be acquired and retired on June 30th of their respective activity years, whether that activity is a plant addition or plant retirement. The current IRP before the Commission adopts Jun, 2038 as its retirement date, the same as this depreciation filing.
> Fergus Control Center Diesel	No retirement date discussed - beyond study period	Jun-2030	Program assumption differences	IRP assumes retirement is outside of resource plan study period. Depreciation study accounts for assets functionality as control center black start and back up strategic functionality. Unit classified as an Emergency Generator as defined by EPA Rice rules.

**Note:**

The Company's latest approved Resource Plan (RP) was filed on December 1, 2013 rather than the normal July 1st sequence which is customarily reconciled to our Depreciation Study purposes. This RP is for a 15-year analysis covering the 2014-2028 time frame coinciding with our last Five-year depreciation study. Otter Tail currently has a new proposed IRP before the Commission in Docket No. E07-RP-16-386. In the RP's, the near-term is intended to be very specific with regard to resource changes, additions, retirements, etc. The long-term is much more uncertain and identifies resources that a utility is likely to use. The depreciation study is intended to be an exact forecast used for appropriate depreciation expense allocation of our current investment over the plants remaining life. The RP is far less exact in the long-term, so there is a natural potential difference between the purpose of the two filings.

## **CERTIFICATE OF SERVICE**

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its  
2016 Annual Review of Depreciation Certification  
Docket No. E017/D-16-\_\_\_\_\_**

I, Nancy L. Olson, hereby certify that I have this day served a copy of the following, or a summary thereof, on Daniel P. Wolf and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company  
Initial Filing**

Dated this **1st** day of **September 2016**.

*/s/ NANCY L. OLSON*

Nancy L. Olson, Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
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(218) 739-8376

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Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	GEN_SL_Otter Tail Power Company_2016 Annual Depreciation Filing
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Otter Tail Power Company_2016 Annual Depreciation Filing
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