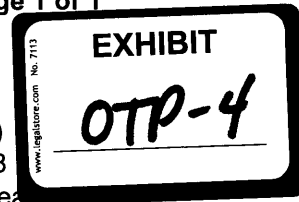


OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 JURISDICTIONAL FINANCIAL SUMMARY SCHEDULES
 SUMMARY OF REVENUE REQUIREMENTS - 2018 TEST YEAR

Case No. PU-17-
 Exhibit ___(TAA-1), Schedule A-1
 Page 1 of 1



Line No.	Description	(A) 2018 Test Year
1	Average Rate Base	\$354,191,795
2	Operating Income (Before AFUDC)	\$18,454,393
3	Allowance for Funds Used During Construction (AFUDC)	\$0
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$18,454,393
5	Overall Rate of Return (Line 4 / Line 1)	5.21%
6	Required Rate of Return	7.97%
7	Operating Income Requirement (Line 1 x Line 6)	\$28,229,086
8	Income Deficiency (Line 7 - Line 4)	\$9,774,693
9	Gross Revenue Conversion Factor	1.607756
10	Revenue Deficiency (Line 8 x Line 9)	\$15,715,320
11	Retail Related Revenues Under Present Rates	\$148,071,951
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	10.61%

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
JURISDICTIONAL FINANCIAL SUMMARY SCHEDULES
SUMMARY OF REVENUE REQUIREMENTS - JURISDICTIONAL

Case No. PU-17-
 Exhibit ___(TAA-1), Schedule A-2
 Page 1 of 1

Line No.	Description	(A) 2016 Actual Year	(B) 2017 Current Period	(C) 2018 Base Year	(D) 2018 Test Year
1	Average Rate Base	\$350,541,961	\$346,427,485	\$350,782,707	\$354,191,795
2	Operating Income (Before AFUDC)	\$27,340,344	\$26,444,364	\$19,581,198	\$18,454,393
3	Allowance for Funds Used During Construction (AFUDC)	\$0	\$0	\$0	\$0
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$27,340,344	\$26,444,364	\$19,581,198	\$18,454,393
5	Overall Rate of Return (Line 4 / Line 1)	7.80%	7.63%	5.58%	5.21%
6	Required Rate of Return	8.22%	8.12%	7.97%	7.97%
7	Operating Income Requirement (Line 1 x Line 6)	\$28,814,549	\$28,129,912	\$27,957,382	\$28,229,086
8	Income Deficiency (Line 7 - Line 4)	\$1,474,205	\$1,685,548	\$8,376,184	\$9,774,693
9	Gross Revenue Conversion Factor	1.607756	1.607756	1.607756	1.607756
10	Revenue Deficiency (Line 8 x Line 9)	\$2,370,162	\$2,709,950	\$13,466,858	\$15,715,320
11	Retail Related Revenues Under Present Rates	\$143,879,019	\$147,985,448	\$148,037,074	\$148,071,951
12	Percent Increase Needed in Overall Revenue (Line 10 / Line 11)	1.65%	1.83%	9.10%	10.61%

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
RATE BASE SUMMARY

Case No. PU-17-
 Exhibit ___ (TAA-1), Schedule B-1
 Page 1 of 1

Line No.	(A) Description	(B) 2016 Actual Year	(C) 2017 Current Period	(D) 2018 Base Year	(E) 2018 Test Year
1	Electric Plant in Service	\$713,874,704	\$731,453,923	\$755,122,657	\$758,395,144
2	Less: Accumulated Depreciation	<u>(275,833,971)</u>	<u>(289,379,585)</u>	<u>(304,195,201)</u>	<u>(304,752,302)</u>
3	Net Electric Plant in Service	\$438,040,733	\$442,074,338	\$450,927,457	\$453,642,842
Other Rate Base Components:					
4	Plant Held for Future Use	13,093	13,021	13,044	13,044
5	Construction Work in Progress	5,734,954	1,460,258	271,748	271,747
6	Materials and Supplies	7,832,359	7,943,851	8,275,549	8,275,549
7	Fuel Stocks	4,030,121	3,967,123	4,430,805	4,430,805
8	Prepayments	(6,646,069)	(9,822,113)	(13,189,483)	(13,199,141)
9	Customer Advances	(396,682)	(376,292)	(365,614)	(365,882)
10	Cash Working Capital	2,847,470	2,909,136	3,656,607	3,602,273
11	Accumulated Deferred Income Taxes	<u>(100,914,018)</u>	<u>(101,741,837)</u>	<u>(103,237,405)</u>	<u>(102,479,443)</u>
12	TOTAL	<u>\$350,541,961</u>	<u>\$346,427,485</u>	<u>\$350,782,707</u>	<u>\$354,191,794</u>

Note: The 2018 Base Year is based on 2018 budgeted financial information. The 2018 Test Year is the 2018 Base Year with proposed adjustments to arrive at the Test Year.

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 RATE BASE COMPONENTS - 2018 TEST YEAR

Case No. PU-17-
 Exhibit ___ (TAA-1), Schedule B-2
 Page 1 of 1

		2018 Test Year					
		Total Utility			North Dakota Jurisdiction		
Line No.	Description	(A) 2018 Base Year	(B) Adjustments	(C) 2018 Test Year	(D) 2018 Base Year	(E) Adjustments	(F) = (D) + (E) 2018 Test Year
Utility Plant in Service:							
1	Production	\$898,927,514	\$0	\$898,927,514	\$330,519,064	\$1	\$330,519,065
2	Transmission	514,983,192	0	514,983,192	153,826,931	(1)	153,826,930
3	Distribution	497,992,871	0	497,992,871	228,593,947	(0)	228,593,947
4	General	88,619,779	0	88,619,779	36,403,979	(0)	36,403,979
5	Intangible	14,067,426	7,966,359	22,033,785	5,778,736	3,272,488	9,051,224
6	TOTAL Utility Plant in Service	\$2,014,590,782	\$7,966,359	\$2,022,557,141	\$755,122,657	\$3,272,487	\$758,395,144
Accumulated Depreciation							
7	Production	(386,983,943)	\$0	(386,983,943)	(142,605,271)	(\$1)	(142,605,272)
8	Transmission	(126,521,372)	0	(126,521,372)	(48,351,303)	0	(48,351,302)
9	Distribution	(214,337,362)	0	(214,337,362)	(98,387,400)	0	(98,387,399)
10	General	(34,142,419)	0	(34,142,419)	(14,025,311)	0	(14,025,311)
11	Intangible	(2,010,565)	(1,356,178)	(3,366,743)	(825,917)	(557,102)	(1,383,019)
12	TOTAL Accumulated Depreciation	(\$763,995,661)	(\$1,356,178)	(\$765,351,839)	(\$304,195,201)	(\$557,102)	(\$304,752,302)
NET Utility Plant in Service							
13	NET Utility Plant in Service						
14	Production	\$511,943,571	\$0	\$511,943,571	\$187,913,793	\$1	\$187,913,793
15	Transmission	388,461,820	0	388,461,820	105,475,629	(1)	105,475,628
16	Distribution	283,655,509	0	283,655,509	130,206,548	0	130,206,548
17	General	54,477,360	0	54,477,360	22,378,669	(0)	22,378,668
18	Intangible	12,056,861	6,610,181	18,667,042	4,952,819	2,715,386	7,668,205
19	NET Utility Plant in Service	\$1,250,595,122	\$6,610,181	\$1,257,205,303	\$450,927,457	\$2,715,385	\$453,642,842
20	Big Stone Plant capitalized items	-	\$0	-	-	\$0	-
21	Utility Plant Held for Future Use	29,657	0	29,657	13,044	\$0	13,044
22	Construction Work in Progress	125,054,506	0	125,054,506	271,748	(0)	271,747
23	Materials and Supplies	20,016,737	0	20,016,737	8,275,549	0	8,275,549
24	Fuel Stocks	12,099,676	0	12,099,676	4,430,805	0	4,430,805
25	Prepayments	(36,579,505)	0	(36,579,505)	(13,189,483)	(9,658)	(13,199,141)
26	Customer Advances	(1,013,988)	0	(1,013,988)	(365,614)	(268)	(365,882)
27	Cash Working Capital*	12,629,888	(131,675)	12,498,213	3,656,607	(54,334)	3,602,273
28	Accumulated Deferred Income Taxes	(278,282,495)	2,235,506	(276,046,989)	(103,237,405)	757,962	(102,479,443)
29	Total Average Rate Base	\$1,104,549,598	\$8,714,011	\$1,113,263,609	\$350,782,707	\$3,409,087	\$354,191,794

* Detailed on Schedule B-4, pages 1-3

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
RATE BASE COMPONENTS - 2018 TEST YEAR
TO OTP'S MOST RECENT GENERAL RATE CASE

Case No. PU-17-
Exhibit ___ (TAA-1), Schedule B-3
Page 1 of 1

Line No.	Description	(A) 2007 Per Order in Case No. 08- 862	(B) 2018 Test Year	(C) (C) = (B) - (A) \$ Change
1	Electric Plant in Service	\$409,419,631	\$758,395,144	\$348,975,513
2	Less: Accumulated Depreciation	<u>(\$188,682,063)</u>	<u>(\$304,752,302)</u>	<u>(\$116,070,239)</u>
3	Net Electric Plant in Service	\$220,737,568	\$453,642,842	\$232,905,274
	Other Rate Base Components:			
4	Plant Held for Future Use	\$12,871	\$13,044	\$173
5	Construction Work in Progress	\$2,246,153	\$271,747	(\$1,974,406)
6	Materials and Supplies	\$5,722,628	\$8,275,549	\$2,552,921
7	Fuel Stocks	\$3,072,173	\$4,430,805	\$1,358,632
8	Prepayments	(\$13,279,546)	(\$13,199,141)	\$80,405
9	Customer Advances	(\$54,379)	(\$365,882)	(\$311,503)
10	Cash Working Capital	\$1,485,939	\$3,602,273	\$2,116,334
11	Accumulated Deferred Income Taxes	(\$32,611,608)	(\$102,479,443)	(\$69,867,835)
12	Unamortized Balance - Spiritwood	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
13	TOTAL	<u>\$187,331,800</u>	<u>\$354,191,795</u>	<u>\$166,859,995</u>

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
CASH WORKING CAPITAL

Case No. PU-17-
 Exhibit ___ (TAA-1), Schedule B-4
 Page 1 of 3

LINE NO	ITEM	2018 Base Year		2018 Test Year	
		TOTAL UTILITY	NORTH DAKOTA	TOTAL UTILITY	NORTH DAKOTA
1	<u>CASH WORKING CAPITAL CALCULATION - REVENUE LEAD DAYS</u>				
2					
3	<u>REVENUES</u>				
4	COMPUTER MAINTAINED BILLINGS	\$349,940,352	\$139,631,523	\$349,972,199	\$139,663,370
5	MANUALLY MAINTAINED BILLINGS	\$33,287,140	\$13,282,075	\$33,290,169	\$13,285,105
6	COST OF ENERGY REVENUES	\$7,871,578	(\$4,463,840)	\$7,871,578	(\$4,463,840)
7	SALES FOR RESALE	\$190,597	\$5,646	\$190,597	\$5,646
8	RENT FROM ELECTRIC PROPERTY	\$568,008	\$204,807	\$568,008	\$204,957
9	OTHER MISC ELECTRIC REVENUE	\$2,576,976	\$929,181	\$2,576,976	\$929,862
10	ITA DEFICIENCY PAYMENTS	\$1,773,638	\$639,521	\$1,773,638	\$639,990
11	WHEELING	439,772	\$0	439,772	\$0
12	LOAD CONTROL AND DISPATCH	\$51,548,158	\$7,830,478	\$51,548,158	\$7,836,212
13	RENT FROM ELECTRIC PROPERTY - BIG STONE	\$11,825	\$4,264	\$11,825	\$4,267
14	RENT FROM ELECTRIC PROPERTY - COYOTE	\$9,800	\$3,534	\$9,800	\$3,536
15	PROFIT ON MATERIALS AND SUPPLIES	\$0	\$0	\$0	\$0
16	MISCELLANEOUS SERVICES	\$28,101	\$10,132	\$28,101	\$10,140
17	RESIDENTIAL CONSERVATION SERVICES	2,676	\$0	2,676	\$0
18					
19	TOTAL REVENUES	\$448,248,621	\$158,077,321	\$448,283,498	\$158,119,244
20					
21	<u>REVENUE LEAD DAYS FROM SERVICE TO COLLECTION</u>				
22	COMPUTER MAINTAINED BILLINGS ¹	N/A	43.4	N/A	43.4
23	MANUALLY MAINTAINED BILLINGS	N/A	41.3	N/A	41.3
24	COST OF ENERGY REVENUES	N/A	127.7	N/A	127.7
25	SALES FOR RESALE	N/A	23.1	N/A	23.1
26	RENT FROM ELECTRIC PROPERTY	N/A	(92.4)	N/A	(92.4)
27	OTHER MISC ELECTRIC REVENUE	N/A	34.9	N/A	34.9
28	ITA DEFICIENCY PAYMENTS	N/A	48.4	N/A	48.4
29	WHEELING	N/A	35.8	N/A	35.8
30	LOAD CONTROL AND DISPATCH	N/A	27.9	N/A	27.9
31	RENT FROM ELECTRIC PROPERTY - BIG STONE	N/A	39.9	N/A	39.9
32	RENT FROM ELECTRIC PROPERTY - COYOTE	N/A	39.9	N/A	39.9
33	PROFIT ON MATERIALS AND SUPPLIES	N/A	39.9	N/A	39.9
34	MISCELLANEOUS SERVICES	N/A	39.9	N/A	39.9
35	RESIDENTIAL CONSERVATION SERVICES	N/A	39.9	N/A	39.9
36					
37	<u>REVENUE DOLLAR DAYS (REVENUES X REVENUE LEAD DAYS)</u>				
38	COMPUTER MAINTAINED BILLINGS	\$15,187,411,269	\$6,060,008,093	\$15,188,793,454	\$6,061,390,279
39	MANUALLY MAINTAINED BILLINGS	\$1,374,758,879	548,549,703	\$1,374,883,994	\$548,674,817
40	COST OF ENERGY REVENUES	\$809,500,370	(570,108,920)	\$809,363,681	(\$570,108,920)
41	SALES FOR RESALE	\$4,395,161	130,206	\$4,395,161	\$130,206
42	RENT FROM ELECTRIC PROPERTY	(\$52,489,606)	(18,926,193)	(\$52,489,606)	(\$18,940,052)
43	OTHER MISC ELECTRIC REVENUE	\$89,988,014	32,447,005	\$89,988,014	\$32,470,765
44	ITA DEFICIENCY PAYMENTS	\$85,844,099	30,952,833	\$85,844,099	\$30,975,499
45	WHEELING	\$15,726,231	0	\$15,726,231	\$0
46	LOAD CONTROL AND DISPATCH	\$1,438,193,603	218,470,338	\$1,438,193,603	\$218,630,319
47	RENT FROM ELECTRIC PROPERTY - BIG STONE	\$496,490	170,129	\$496,581	\$170,254
48	RENT FROM ELECTRIC PROPERTY - COYOTE	\$411,454	140,990	\$411,529	\$141,093
49	PROFIT ON MATERIALS AND SUPPLIES	\$0	0	\$0	\$0
50	MISCELLANEOUS SERVICES	\$1,179,809	404,277	\$1,180,026	\$404,573
51	RESIDENTIAL CONSERVATION SERVICES	\$114,265	0	\$114,265	\$0
52					
53	TOTAL DOLLAR DAYS	\$18,955,530,038	\$6,302,238,462	\$18,956,901,033	\$6,303,938,834
54					
55	AVG REVENUE LEAD DAYS (TOTAL REV DOLLAR DAYS / TOTAL REV)	42.3	39.9	42.3	39.9
56					
57	¹ Calculation of Days from Service to Collection				
58	Service Period to Date Meter is Read	(365 / 12 / 2)	15.2		
59	Read Date to Date Billing is Prepared		3.5		
60	Billing Date to Date Collection is Received		24.7		
61	Total		43.4		

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 CASH WORKING CAPITAL
 Calculation applying lead-lag factors

		2018 Base Year					TOTAL
		NORTH DAKOTA JURISDICTION					UTILITY
LINE		(A)	(B)	(C)	(D)	(E)	(F)
NO	ITEM	Operating	Expense/day	Expense	Lead Days of	Net Revenue	Net Revenue
		Expense	at 365	Lag Days	39.9	Lag Dollars	Lag Dollars
			day/year		Over Expense		
					Lag Days		
1	FUEL - COAL	\$19,990,895	\$54,770	15.5	24.4	\$1,335,830	\$4,081,316
2	FUEL - OIL	\$21,698	59	11.2	28.7	1,705	\$5,403
3	PURCHASED POWER	\$26,355,139	72,206	31.6	8.3	600,753	\$2,297,585
4	LABOR AND ASSOC PAYROLL EXPENSE	\$2,298,963	6,299	15.1	24.8	156,141	\$463,796
5	ALL OTHER O&M EXPENSE	\$60,235,003	165,027	13.1	26.8	4,423,675	\$13,254,171
6	PROPERTY TAX (EXCL COAL CONV TAX)	\$4,662,025	12,773	299.5	(259.6)	(3,315,567)	(\$9,121,479)
7	COAL CONVERSION TAXES	\$240,277	658	33.3	6.6	4,332	\$15,820
8	FEDERAL INCOME TAXES	\$4,336,226	11,880	0.0	39.9	474,015	\$1,913,456
9	STATE INCOME TAXES	\$0	0	0.0	39.9	-	\$234,416
10	INCREMENTAL FEDERAL INCOME TAXES	0	0	0.0	39.9	0	\$0
11	INCREMENTAL STATE INCOME TAXES	0	0	0.0	39.9	0	\$0
12	BANK BALANCES		0	0.0		3,536	\$9,800
13	SPECIAL DEPOSITS		0	0.0		2,704	\$7,500
14	WORKING FUNDS		0	0.0		4,493	\$12,462
15	TAX COLLECTIONS AVAILABLE						
16	FICA WITHHOLDING	(\$1,975,022)	(5,411)	0.0		0	\$0
17	FEDERAL WITHHOLDING	(\$3,214,488)	(8,807)	0.0		0	\$0
18	STATE WITHHOLDING- MN	\$0	0	1.9		0	(\$9,942)
19	STATE WITHHOLDING- ND	(\$185,000)	(507)	69.1		(34,998)	(\$34,998)
20	STATE SALES TAX	(\$143)	(0)	23.8		(9)	(\$374,899)
21	FRANCHISE TAXES	0	0	0.0		0	(124,520)
22							
23	TOTAL CASH WORKING CAPITAL REQUIREMENT					3,656,608	\$12,629,888

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 CASH WORKING CAPITAL
 Calculation applying lead-lag factors

		2018 Test Year					TOTAL
		NORTH DAKOTA JURISDICTION					UTILITY
LINE		(A)	(B)	(C)	(D)	(E)	(F)
NO	ITEM	Operating	Expense/day	Expense	Lead Days of	Net Revenue	Net Revenue
		Expense	at 365	Lag Days	39.9	Lag Dollars	Lag Dollars
			day/year		Over Expense		
					Lag Days		
1	FUEL - COAL	\$19,990,895	\$54,770	15.5	24.4	\$1,335,830	\$4,081,316
2	FUEL - OIL	\$21,698	59	11.2	28.7	1,705	\$5,403
3	PURCHASED POWER	\$26,355,139	72,206	31.6	8.3	600,753	\$2,297,585
4	LABOR AND ASSOC PAYROLL EXPENSE	\$2,286,135	6,263	15.1	24.8	155,269	\$463,994
5	ALL OTHER O&M EXPENSE	\$59,584,480	163,245	13.1	26.8	4,375,901	\$13,153,685
6	PROPERTY TAX (EXCL COAL CONV TAX)	\$4,665,439	12,782	299.5	(259.6)	(3,317,757)	(\$9,120,550)
7	COAL CONVERSION TAXES	\$240,452	659	33.3	6.6	4,335	\$15,834
8	FEDERAL INCOME TAXES	\$4,304,133	11,792	0.0	39.9	470,507	\$1,886,533
9	STATE INCOME TAXES	\$0	0	0.0	39.9	-	\$229,009
10	INCREMENTAL FEDERAL INCOME TAXES	0	0	0.0	39.9	0	\$0
11	INCREMENTAL STATE INCOME TAXES	0	0	0.0	39.9	0	\$0
12	BANK BALANCES		0	0.0		3,536	\$9,800
13	SPECIAL DEPOSITS		0	0.0		2,706	\$7,500
14	WORKING FUNDS		0	0.0		4,497	\$12,462
15	TAX COLLECTIONS AVAILABLE						
16	FICA WITHHOLDING	(\$1,964,003)	(5,381)	0.0		0	\$0
17	FEDERAL WITHHOLDING	(\$3,196,553)	(8,758)	0.0		0	\$0
18	STATE WITHHOLDING- MN	\$0	0	1.9		0	(\$9,942)
19	STATE WITHHOLDING- ND	(\$185,000)	(507)	69.1		(34,998)	(\$34,998)
20	STATE SALES TAX	(\$143)	(0)	23.8		(9)	(\$374,899)
21	FRANCHISE TAXES	\$0	0	27.6		0	(\$124,520)
22							
23	TOTAL CASH WORKING CAPITAL REQUIREMENT					3,602,273	\$12,498,212

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
RATE BASE ADJUSTMENTS
2018 Base Year versus 2018 Test Year

Case No. PU-17-
Exhibit ___ (TAA-1), Schedule B-5
Page 1 of 1

Line No.	Description	(A) 2018 Base Year	(B) Normalize Plant in Service	(C) Prorate ADIT	(D) Changes in Allocations due to Effect of Test Year Adjustments	(E) 2018 Test Year
Utility Plant in Service:						
1	Production	\$330,519,064			\$1	\$330,519,065
2	Transmission	\$153,826,931			(\$1)	\$153,826,930
3	Distribution	\$228,593,947			(\$0)	\$228,593,947
4	General	\$36,403,979			(\$0)	\$36,403,979
5	Intangible	\$5,778,736	\$3,272,488		(\$0)	\$9,051,224
6	TOTAL Utility Plant in Service	\$755,122,657	\$3,272,488	\$0	(\$1)	\$758,395,144
Accumulated Depreciation						
7	Production	(\$142,605,271)			(\$1)	(\$142,605,272)
8	Transmission	(\$48,351,303)			\$0	(\$48,351,302)
9	Distribution	(\$98,387,400)			\$0	(\$98,387,399)
10	General	(\$14,025,311)			\$0	(\$14,025,311)
11	Intangible	(\$825,917)	(\$557,102)		\$0	(\$1,383,019)
12	TOTAL Accumulated Depreciation	(\$304,195,201)	(\$557,102)	\$0	\$0	(\$304,752,302)
13	NET Utility Plant in Service					
14	Production	\$187,913,793	\$0	\$0	\$1	\$187,913,793
15	Transmission	\$105,475,629	\$0	\$0	(\$1)	\$105,475,628
16	Distribution	\$130,206,548	\$0	\$0	\$0	\$130,206,548
17	General	\$22,378,669	\$0	\$0	(\$0)	\$22,378,668
18	Intangible	\$4,952,819	\$2,715,386	\$0	(\$0)	\$7,668,205
19	NET Utility Plant in Service	\$450,927,457	\$2,715,386	\$0	(\$1)	\$453,642,842
20	Big Stone Plant capitalized items	\$0			\$0	\$0
21	Utility Plant Held for Future Use	\$13,044			\$0	\$13,044
22	Construction Work in Progress	\$271,748			(\$0)	\$271,747
23	Materials and Supplies	\$8,275,549			\$0	\$8,275,549
24	Fuel Stocks	\$4,430,805			\$0	\$4,430,805
25	Prepayments	(\$13,189,483)			(\$9,658)	(\$13,199,141)
26	Customer Advances	(\$365,614)			(\$268)	(\$365,882)
27	Cash Working Capital	\$3,656,607			(\$54,334)	\$3,602,273
28	Accumulated Deferred Income Taxes	(\$103,237,405)		\$806,647	(\$48,685)	(\$102,479,443)
29	Total Average Rate Base	\$350,782,707	\$2,715,386	\$806,647	(\$112,946)	\$354,191,794

Column references to adjustment workpapers:
(B) W/P 2018 ND TY-01
(C) W/P 2018 ND TY-06

**OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
DESCRIPTION OF DETAILS**

Case No. PU-17-
Exhibit ____ (TAA-1), Schedule B-6
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**Summary of Approach used and Assumptions Made to the
Rate Base Schedules**

The 2018 Test Year is based on Otter Tail's 2018 budget.

A simple average of the beginning and end of year balances is used for all rate base components.

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 RATE BASE JURISDICTIONAL ALLOCATION FACTORS

The allocation factors on this page were used to determine North Dakota jurisdictional rate base amounts for all of the years presented in these schedules. Accounts not on this page have been directly assigned to jurisdictions.

Descriptions under the Allocation Factor column with a / means the first method was used in historic actual and projected, the method after the / is used in the test year.

The following allocation factors are used to compute North Dakota jurisdictional amounts for Plant-in-Service, Accumulated Depreciation, Accumulated Deferred Income Tax and Construction Work in Progress.

For a full description of each allocation factor, see OTP's *Cost Allocation Procedure Manual for Jurisdictional and Class Cost of Service Studies*, Ms. Gina Ice's direct testimony, Exhibit ___ (GSI-1), Schedule 2.

Line No.	Description	Allocation Basis
	<u>RATE BASE COMPONENT</u>	<u>ALLOCATION FACTOR</u>
1	<u>Electric Plant in Service</u>	
2	Production Plant	
3	Base Demand	kwh Sales Factor (E1)
4	Peak Demand	Generation Demand Factor (D1)
5	Base Energy	kwh Sales Factor (E2)
6	Transmission Plant	Transmission Demand Factor (D2)
7	Distribution Plant	
8	Primary Demand	Distribution Primary Demand Factor (D3)
9	Secondary Demand	Distribution Secondary Demand Factor (D4)
10	Primary Customer	Total Retail Service Locations Factor (C2)
11	Secondary Customer	Total Secondary Retail Service Location Factor (C3)
12	Street Lighting	Streetlight Factor (C4)
13	Area Lighting	Area Light Factor (C5)
14	Meters	Meter Factor (C6)
15	Load Management	Load Management Factor (C9)
16	Rental Equipment	Direct Assignment (North Dakota only)
17	General Plant	
18	Production	Gross Production Plant in Service Ratio (P10)
19	Transmission	Gross Transmission Plant in Service Ratio (P50)
20	Distribution	Gross Distribution Plant in Service Ratio (P60)
21	Customer Accounts	Customer Accounts Expense Ratio (OXC)
22	Customer Service & Info.	Customer Service & Info, Expense Ratio (OXI)
23	Load Management	Load Management Factor (C9)
24	Intangible Plant	
25	Production	Gross Production Plant in Service Ratio (P10)
26	Transmission	Gross Transmission Plant in Service Ratio (P50)
27	Distribution	Gross Distribution Plant in Service Ratio (P60)
28	General	Gross General Plant in Service Ratio (P90)
29	<u>Accumulated Provision for Depreciation</u>	
30	Production Plant	
31	Base Demand	Direct Assignment/kwh Sales Factor (E1)
32	Peak Demand	Direct Assignment/Generation Demand Factor (D1) Base Energy
33	Base Energy	Direct Assignment/kwh Sales Factor (E2)
34	Transmission Plant	Direct Assignment/Transmission Demand Factor (D2)
35	Distribution Plant	Direct Assignment/Gross Distribution Plant in Service Ratio (P60)
36	General Plant	Direct Assignment/Gross General Plant in Service Ratio (P90)
37	Intangible Plant	Gross General Plant in Service Ratio (P90)

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
RATE BASE JURISDICTIONAL ALLOCATION FACTORS

Line No.	RATE BASE COMPONENT	ALLOCATION FACTOR
1	<u>Electric Plant Held for Future Use</u>	
2	Production Plant	Gross Production Plant in Service Ratio (P10)
3	Base Demand	kwh Sales Factor (E1)
4	Peak Demand	Generation Demand Factor (D1)
5	Base Energy	kwh Sales Factor (E1)
6	Transmission Plant	Transmission Demand Factor (D2)
7	Distribution Plant	Gross Distribution Plant in Service Ratio (P60)
8	Primary Demand	Distribution Primary Demand Factor (D3)
9	Secondary Demand	Distribution Secondary Demand Factor (D4)
10	Primary Customer	Total Retail Service Locations Factor (C2)
11	Secondary Customer	Total Secondary Retail Service Location Factor (C3)
12	Streetlighting	Streetlight Factor (C4)
13	Area Lighting	Area Light Factor (C5)
14	Meters	Metering Factor (C6)
15	General Plant	Gross General Plant in Service Ratio (P90)
16	Production	Gross Production Plant in Service Ratio (P10)
17	Transmission	Transmission Demand Factor (D2)
18	Distribution	Gross Distribution Plant in Service Ratio (P60)
19	Customer Accounts	Customer Accounts Expense Ratio (OXC)
20	Customer Service & Info.	Customer Service & Info, Expense Ratio (OXI)
21	Intangible Plant	Gross General Plant in Service Ratio (P90)
22	Production	Gross Production Plant in Service Ratio (P10)
23	Transmission	Gross Transmission Plant in Service Ratio (P50)
24	Distribution	Gross Distribution Plant in Service Ratio (P60)
25	General	Gross General Plant in Service Ratio (P90)
26	<u>Unamortized Balance -</u>	
27	<u>Spiritwood Plant</u>	Gross Production Plant in Service Ratio (P10)
28	<u>Construction Work in Progress — Short Term</u>	
29	Production Plant	Gross Production Plant in Service Ratio (P10)
30	Transmission Plant	Transmission Demand Factor (D2)
31	Distribution Plant	Gross Distribution Plant in Service Ratio (P60)
32	General Plant	Gross General Plant in Service Ratio (P90)
33	Intangible Plant	Gross General Plant in Service Ratio (P90)

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE BASE SCHEDULES
RATE BASE JURISDICTIONAL ALLOCATION FACTORS

Line No.	RATE BASE COMPONENT	ALLOCATION FACTOR
1	<u>Construction Work in Progress — Other</u>	
2	Production Plant	Gross Production Plant in Service Ratio (P10)
3	Transmission Plant	Transmission Demand Factor (D2)
4	Distribution Plant	Gross Distribution Plant in Service Ratio (P60)
5	General Plant	Gross General Plant in Service Ratio (P90)
6	Intangible Plant	Gross General Plant in Service Ratio (P90)
7	<u>Materials and Supplies</u>	
8	Diesel Parts and Supplies	Generation Demand Factor (D1)
9	Big Stone and Coyote Plants	
10	Base Demand	kwh Sales Factor (E1)
11	Peak Demand	Generation Demand Factor (D1)
12	Base Energy	kwh Sales Factor (E2)
13	All Other	
14	Transmission	Transmission Demand Factor (D2)
15	Distribution	Gross Distribution Plant in Service Ratio (P60)
16	<u>Fuel Stocks</u>	
17	Coal Stocks	kwh Sales Factor (E1)
18	Fuel Oil Stocks	Generation Demand Factor (D1)
19	<u>Prepayments</u>	Total Net Plant in Service Ratio (NEPIS)
20	<u>Customer Advances</u>	Total Net Plant in Service Ratio (NEPIS)
21	<u>Cash Working Capital</u>	Separately Calculated by Jurisdiction
22	<u>Accumulated Deferred Income Taxes</u>	
23	Items South Dakota flows through:	
24	Federal	Total Net Plant in Service Ratio (NEPIS)
25	excluding South Dakota (NPMNR)	
26	Minnesota	Total Net Plant in Service — MN Ratio (NPISM)
27	North Dakota	Total Net Plant in Service — ND Ratio (NPISN)
28	All Other:	
29	Federal	Total Net Plant in Service Ratio (NEPIS)
30	Minnesota	Total Net Plant in Service — MN Ratio (NPISM)
31	North Dakota	Total Net Plant in Service — ND Ratio (NPISN)

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 RATE BASE JURISDICTIONAL ALLOCATION FACTORS
 Allocators - Demand, Energy and Customer

Line No.	Item	Factor	2018 Base Year			2018 Test Year		
			Total Utility	North Dakota	All Other	Total Utility	North Dakota	All Other
1	MWH Consumption at Generators - Partial	E1	4,717,027	1,682,012	3,035,015	4,717,027	1,682,012	3,035,015
2	Percentage		100.000000%	35.658308%	64.341692%	100.000000%	35.658308%	64.341692%
3	MWH Consumption at Generators - Total	E2	5,271,408	1,980,855	3,290,553	5,271,408	1,980,855	3,290,553
4	Percentage		100.000000%	37.577342%	62.422658%	100.000000%	37.577342%	62.422658%
5	Generation Demand Factor	D1	740,845	295,156	445,689	740,845	295,156	445,689
6	Percentage		100.000000%	39.840452%	60.159548%	100.000000%	39.840452%	60.159548%
7	Transmission Demand Factor	D2	745,364	295,156	450,208	745,364	295,156	450,208
8	Percentage		100.000000%	39.598907%	60.401093%	100.000000%	39.598907%	60.401093%
9	Distribution - Primary Demand Factor	D3	879,600	403,477	476,123	879,600	403,477	476,123
10	Percentage		100.000000%	45.870509%	54.129491%	100.000000%	45.870509%	54.129491%
11	Distribution - Secondary Demand Factor	D4	1,168,271	561,014	607,257	1,168,271	561,014	607,257
12	Percentage		100.000000%	48.020879%	51.979121%	100.000000%	48.020879%	51.979121%
13	Customer or Meter Factors							
14	Total Retail Customers	C1	133,437	59,557	73,880	133,437	59,557	73,880
15	Percentage		100.000000%	44.633048%	55.366952%	100.000000%	44.633048%	55.366952%
16	Retail Service Locations	C2	140,167	62,754	77,413	140,167	62,754	77,413
17	Percentage		100.000000%	44.770880%	55.229120%	100.000000%	44.770880%	55.229120%
18	Secondary Service Locations	C3	140,091	62,738	77,353	140,091	62,738	77,353
19	Percentage		100.000000%	44.783748%	55.216252%	100.000000%	44.783748%	55.216252%
20	Street Lighting Factor	C4	5,464,004	2,381,279	3,082,725	5,464,004	2,381,279	3,082,725
21	Percentage		100.000000%	43.581209%	56.418791%	100.000000%	43.581209%	56.418791%
22	Area Lighting Factor	C5	4,786,865	2,477,820	2,309,045	4,786,865	2,477,820	2,309,045
23	Percentage		100.000000%	51.762897%	48.237103%	100.000000%	51.762897%	48.237103%
24	Meter Factor	C6	52,603,325	23,503,024	29,100,301	52,603,325	23,503,024	29,100,301
25	Percentage		100.000000%	44.679731%	55.320269%	100.000000%	44.679731%	55.320269%
26	Meter Reading Factor	C7	182,297	77,918	104,379	182,297	77,918	104,379
27	Percentage		100.000000%	42.742338%	57.257662%	100.000000%	42.742338%	57.257662%
28	System Service Locations	C8	140,192	62,757	77,435	140,192	62,757	77,435
29	Percentage		100.000000%	44.765037%	55.234963%	100.000000%	44.765037%	55.234963%
30	Load Management Factor	C9	42,771	18,627	24,144	42,771	18,627	24,144
31	Percentage		100.000000%	43.550537%	56.449463%	100.000000%	43.550537%	56.449463%

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE BASE SCHEDULES
 RATE BASE JURISDICTIONAL ALLOCATION FACTORS
 Allocators - General Plant, Operation and Maintenance Expense and Taxes

Line No.	Item	Factor	2018 Base Year			2018 Test Year		
			Total Utility	North Dakota	All Other	Total Utility	North Dakota	All Other
1	Production Plant	P10	898,927,514	330,519,064	568,408,451	898,927,514	330,519,064	568,408,451
2	Percentage		100.000000%	36.768155%	63.231845%	100.000000%	36.768155%	63.231845%
3	Distribution Plant	P60	497,992,871	228,593,947	269,398,924	497,992,871	228,593,947	269,398,924
4	Percentage		100.000000%	45.903056%	54.096944%	100.000000%	45.903056%	54.096944%
5	General Plant	P90	88,619,779	36,403,979	52,215,800	88,619,779	36,403,979	52,215,800
6	Percentage		100.000000%	41.078842%	58.921158%	100.000000%	41.078842%	58.921158%
7	Electric Plant in Service	EPIS	2,014,590,782	755,122,657	1,259,468,125	2,022,557,141	758,395,145	1,264,161,996
8	Percentage		100.000000%	37.482682%	62.517318%	100.000000%	37.496846%	62.503154%
9	Net Electric Plant in Service	NEPIS	1,250,595,122	450,927,457	799,667,665	1,257,205,303	453,642,842	803,562,460
10	Percentage		100.000000%	36.057030%	63.942970%	100.000000%	36.083434%	63.916566%
11	Operation and Maintenance Expense							
12	Production Expense (Excl Energy)	OXPD	22,971,130	8,370,890	14,600,240	22,971,130	8,370,890	14,600,240
13	Percentage		100.000000%	36.440914%	63.559086%	100.000000%	36.440914%	63.559086%
14	Distribution Expense	OXD	16,917,384	7,680,921	9,236,463	16,917,384	7,680,921	9,236,463
15	Percentage		100.000000%	45.402533%	54.597467%	100.000000%	45.402533%	54.597467%
16	Customer Accounts Expense	OXC	13,849,926	6,091,579	7,758,346	13,849,926	6,091,579	7,758,346
17	Percentage		100.000000%	43.982759%	56.017241%	100.000000%	43.982759%	56.017241%
18	Customer Service & Information Expense	OXI	3,097,502	1,382,509	1,714,992	3,097,502	1,382,509	1,714,992
19	Percentage		100.000000%	44.633048%	55.366952%	100.000000%	44.633048%	55.366952%
20	Other Deferred Income Tax Factor							
21	Minnesota	NPISM	693,906,919	0	693,906,919	697,191,470	0	697,191,470
22	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
23	North Dakota	NPISN	450,927,457	450,927,457	0	453,642,842	453,642,842	0
24	Percentage		100.000000%	100.000000%	0.000000%	100.000000%	100.000000%	0.000000%
25	Excluding South Dakota	NPMNR	1,144,834,375	450,927,457	693,906,919	1,150,834,312	453,642,842	697,191,470
26	Percentage		100.000000%	39.388008%	60.611992%	100.000000%	39.418606%	60.581394%
27	Long-Term CWIP Ratio (W/AFDC)	CWIPLT	28,591,925	0	28,591,925	28,591,925	0	28,591,925
28	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
29	Revenue	R10	390,016,076	148,037,074	241,979,002	390,050,953	148,071,951	241,979,002
30	Percentage		100.000000%	37.956659%	62.043341%	100.000000%	37.962207%	62.037793%
31	Labor and Related Expense	LRE	149,347,123	57,145,581	92,201,542	148,829,994	56,629,968	92,200,026
32	Percentage		100.000000%	38.263597%	61.736403%	100.000000%	38.050104%	61.949896%

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 JURISDICTIONAL STATEMENT OF OPERATING INCOME

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Line No.	Description	2018 Base Year		2018 Test Year	
		Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction
<u>OPERATING REVENUES</u>					
1	Retail Revenue	\$390,016,076	\$148,037,074	\$390,050,953	\$148,071,951
2	Other Electric Operating Revenue	<u>58,232,545</u>	<u>10,040,248</u>	<u>58,232,545</u>	<u>10,047,294</u>
3	TOTAL OPERATING REVENUE	\$448,248,621	\$158,077,321	\$448,283,498	\$158,119,244
<u>OPERATING EXPENSES</u>					
4	Production Expenses	\$161,876,335	\$60,104,536	\$160,950,946	\$59,756,799
5	Transmission Expenses	\$35,311,843	\$13,507,453	\$35,311,843	\$13,507,453
6	Distribution Expenses	\$16,917,384	\$7,680,921	\$16,917,384	\$7,680,921
7	Customer Accounting Expenses	\$13,849,926	\$6,091,579	\$13,849,926	\$6,091,579
8	Customer Service and Information Expenses	\$11,097,740	\$1,382,509	\$11,097,740	\$1,382,509
9	Sales Expenses	\$273,627	\$22,472	\$473,627	\$222,472
10	Administration and General Expenses	\$50,400,273	\$20,112,229	\$49,883,144	\$19,596,616
11	Charitable Contributions	\$0	\$0	\$0	\$0
12	Depreciation Expense	\$54,316,572	\$20,716,262	\$56,042,616	\$21,425,301
13	General Taxes	<u>\$15,375,197</u>	<u>\$4,902,302</u>	<u>\$15,375,197</u>	<u>\$4,905,891</u>
14	TOTAL OPERATING EXPENSES	\$359,418,897	\$134,520,262	\$359,902,423	\$134,569,541
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$88,829,724	\$23,557,059	\$88,381,075	\$23,549,703
<u>INCOME TAX EXPENSE</u>					
17	Investment Tax Credit	(\$4,487,336)	(\$1,681,974)	(\$1,403,336)	(\$526,207)
18	Deferred Income Taxes	\$2,599,820	\$1,321,609	\$2,595,680	\$1,317,383
19	Income Taxes	<u>\$21,246,187</u>	<u>\$4,336,226</u>	<u>\$20,982,489</u>	<u>\$4,304,134</u>
20	TOTAL INCOME TAX EXPENSE	\$19,358,671	\$3,975,861	\$22,174,832	\$5,095,310
21	NET OPERATING INCOME	\$69,471,053	\$19,581,199	\$66,206,242	\$18,454,393
22	Allowance for Funds Used During Construction	<u>\$2,027,574</u>	<u>0</u>	<u>\$2,027,574</u>	<u>0</u>
23	TOTAL AVAILABLE FOR RETURN	\$71,498,627	\$19,581,199	\$68,233,817	\$18,454,393

Note: The 2018 Base Year is based on 2018 budgeted financial information. The 2018 Test Year is the 2018 Base Year with adjustments to arrive at the Test Year.

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 STATEMENT OF OPERATING INCOME - JURISDICTIONAL

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Line No.	Description	(A)	(B)	(C)	(D)	(E)	(F)
		2016 Actual Year		2017 Current Period		2018 BaseYear	
		Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction
OPERATING REVENUES							
1	Retail Revenue	\$371,354,498	\$143,879,019	\$383,244,888	\$147,985,448	\$390,016,076	\$148,037,074
2	Other Electric Operating Revenue	45,692,945	10,710,945	55,620,633	10,606,241	58,232,545	10,040,248
3	TOTAL OPERATING REVENUE	\$417,047,443	\$154,589,964	\$438,865,521	\$158,591,689	\$448,248,621	\$158,077,321
OPERATING EXPENSES							
4	Production Expenses	\$147,306,489	\$54,725,139	\$157,319,387	\$58,190,102	\$161,876,335	\$60,104,536
5	Transmission Expenses	\$33,612,748	\$12,457,661	\$34,335,451	\$12,985,327	\$35,311,843	\$13,507,453
6	Distribution Expenses	\$16,790,846	\$7,668,210	\$17,135,299	\$7,777,507	\$16,917,384	\$7,680,921
7	Customer Accounting Expenses	\$12,477,390	\$5,456,338	\$13,162,914	\$5,774,856	\$13,849,926	\$6,091,579
8	Customer Service and Information Expenses	\$10,780,801	\$1,177,661	\$10,612,868	\$1,178,049	\$11,097,740	\$1,382,509
9	Sales Expenses	\$212,344	\$16,303	\$228,126	\$15,169	\$273,627	\$22,472
10	Administration and General Expenses	\$41,995,374	\$15,985,354	\$42,580,850	\$16,155,840	\$50,400,273	\$20,112,229
11	Charitable Contributions	\$162,148	\$0	\$0	\$0	\$0	\$0
12	Depreciation Expense	\$51,924,882	\$20,190,484	\$51,043,283	\$19,765,066	\$54,316,572	\$20,716,262
13	General Taxes	\$14,258,363	\$4,931,369	\$14,886,749	\$4,935,669	\$15,375,197	\$4,902,302
14	TOTAL OPERATING EXPENSES	\$329,521,385	\$122,608,519	\$341,304,927	\$126,777,585	\$359,418,897	\$134,520,262
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$87,526,058	\$31,981,445	\$97,560,594	\$31,814,104	\$88,829,724	\$23,557,059
INCOME TAX EXPENSE							
17	Investment Tax Credit	(\$8,831,713)	(\$3,425,500)	(\$8,665,139)	(\$3,296,964)	(\$4,487,336)	(\$1,681,974)
18	Deferred Income Taxes	\$20,358,657	\$8,066,602	\$21,480,488	\$8,666,705	\$2,599,820	\$1,321,609
19	Income Taxes	\$2,475,106	\$0	\$6,279,824	\$0	\$21,246,187	\$4,336,226
20	TOTAL INCOME TAX EXPENSE	\$14,002,050	\$4,641,102	\$19,095,173	\$5,369,741	\$19,358,671	\$3,975,861
21	NET OPERATING INCOME	\$73,524,008	\$27,340,343	\$78,465,421	\$26,444,363	\$69,471,053	\$19,581,199
22	Allowance for Funds Used During Construction	\$1,351,771	0	\$1,615,604	0	\$2,027,574	0
23	TOTAL AVAILABLE FOR RETURN	\$74,875,779	\$27,340,344	\$80,081,025	\$26,444,364	\$71,498,627	\$19,581,199

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 STATEMENT OF OPERATING INCOME - 2018 TEST YEAR

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Line No.	Description	(A)	(B)	(C)	(D)
		2018 Base Year Total Utility	2018 Base Year ND Jurisdiction	Adjustments	2018 Test Year ND Jurisdiction
2018 Test Year					
<u>OPERATING REVENUES</u>					
1	Retail Revenue	\$390,016,076	\$148,037,074	\$34,877	\$148,071,951
2	Other Electric Operating Revenue	\$58,232,545	\$10,040,248	7,046	\$10,047,294
3	TOTAL OPERATING REVENUE	\$448,248,621	\$158,077,321	\$41,923	\$158,119,244
<u>OPERATING EXPENSES</u>					
4	Production Expenses	\$161,876,335	\$60,104,536	(\$347,737)	\$59,756,799
5	Transmission Expenses	\$35,311,843	\$13,507,453	0	\$13,507,453
6	Distribution Expenses	\$16,917,384	\$7,680,921	0	\$7,680,921
7	Customer Accounting Expenses	\$13,849,926	\$6,091,579	0	\$6,091,579
8	Customer Service and Information Expenses	\$11,097,740	\$1,382,509	0	\$1,382,509
9	Sales Expenses	\$273,627	\$22,472	200,000	\$222,472
10	Administration and General Expenses	\$50,400,273	\$20,112,229	-515,613	\$19,596,616
11	Charitable Contributions	\$0	\$0	0	\$0
12	Depreciation Expense	\$54,316,572	\$20,716,262	709,039	\$21,425,301
13	General Taxes	\$15,375,197	\$4,902,302	3,590	\$4,905,891
14	TOTAL OPERATING EXPENSES	\$359,418,897	\$134,520,262	\$49,279	\$134,569,541
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$88,829,724	\$23,557,059	(\$7,356)	\$23,549,703
<u>INCOME TAX EXPENSE</u>					
17	Investment Tax Credit	(\$4,487,336)	(\$1,681,974)	\$1,155,767	(\$526,207)
18	Deferred Income Taxes	\$2,599,820	\$1,321,609	-4,226	\$1,317,383
19	Income Taxes	\$21,246,187	\$4,336,226	(32,092)	\$4,304,134
20	TOTAL INCOME TAX EXPENSE	\$19,358,671	\$3,975,861	\$1,119,450	\$5,095,310
21	NET OPERATING INCOME	\$69,471,053	\$19,581,199	(\$1,126,806)	\$18,454,393
22	Allowance for Funds Used During Construction	2,027,574	0	0	0
23	TOTAL AVAILABLE FOR RETURN	\$71,498,627	\$19,581,199	(\$1,126,806)	\$18,454,393

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 STATEMENT OF OPERATING INCOME - 2018 TEST YEAR
 TO OTP'S MOST RECENT GENERAL RATE CASE

Case No. PU-17-__
 Exhibit ____(TAA-1), Schedule C-4
 Page 1 of 1

Line No.	Description	(A) Results of Most Recent General Rate Case PU-08-862	(B) 2018 Test Year	(C) Change (B) - (A)
<u>OPERATING REVENUES</u>				
1	Retail	\$118,309,177	\$148,071,951	\$29,762,774
2	Other Operating Revenue	5,304,529	10,047,294	4,742,765
3	TOTAL OPERATING REVENUE	\$123,613,706	\$158,119,244	\$34,505,538
<u>OPERATING EXPENSES</u>				
5	Production Expenses	\$62,213,340	\$59,756,799	(\$2,456,541)
6	Transmission Expenses	4,467,061	13,507,453	9,040,392
7	Distribution Expenses	6,727,802	7,680,921	953,119
8	Customer Accounting Expenses	4,728,770	6,091,579	1,362,810
9	Customer Service & Information Expenses	1,027,290	1,382,509	355,220
10	Sales Expenses	251,476	222,472	(29,005)
11	Administration & General Expenses	13,526,788	19,596,616	6,069,828
12	Charitable Contributions	114,816	0	(114,816)
13	Depreciation Expense	10,442,094	21,425,301	10,983,207
14	General Taxes	3,964,363	4,905,891	941,528
15	TOTAL OPERATING EXPENSES	\$107,463,801	\$134,569,541	\$27,105,742
16	NET OPERATING INCOME BEFORE INCOME TAXES	\$16,149,905	\$23,549,703	\$7,399,797
<u>INCOME TAX EXPENSE</u>				
17	Investment Tax Credit	(\$475,573)	(\$526,207)	(\$50,634)
18	Deferred Income Taxes	216,508	1,317,383	1,100,875
19	Income Taxes	4,132,875	4,304,134	171,259
20	TOTAL INCOME TAX EXPENSE	\$3,873,810	\$5,095,310	\$1,221,501
21	NET OPERATING INCOME	\$12,276,096	\$18,454,393	\$6,178,296
22	Allowance for Funds Used During Construction	0	0	0
23	TOTAL AVAILABLE FOR RETURN	\$12,276,096	\$18,454,393	\$6,178,296

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 COMPUTATION OF FEDERAL AND STATE INCOME TAXES

Case No. PU-17-
 Exhibit ___(TAA-1), Schedule C-5
 Page 1 of 1

Line No.	Description	(A)		(B)		(C)		(D)	
		2018 Base Year				2018 Test Year			
		Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction	Total Utility	ND Jurisdiction
Income Before Taxes									
1	Total Operating Revenues	\$448,248,621	\$158,077,321	\$448,283,498	\$158,119,244				
2	less: Total Operating Expenses	(289,727,128)	(108,901,698)	(288,484,610)	(108,238,349)				
3	Book Depreciation & Amortization	(54,316,572)	(20,716,262)	(56,042,616)	(21,425,301)				
4	Taxes Other Than Income	(15,375,197)	(4,902,302)	(15,375,197)	(4,905,891)				
5	Interest Cost	(27,922,595)	(8,980,037)	(28,145,673)	(9,067,310)				
6	Total Before Tax Book Income	\$60,907,129	\$14,577,022	\$60,235,401	\$14,482,393				
Tax Additions									
8	Additional Tax Depreciation	\$10,435,199	\$3,762,623	\$10,435,199	\$3,765,378				
9	Directly Assigned Schedule M Items	-	\$0	-	\$0				
10	Provisions - Operating Reserves	8,193,954	2,954,496	8,193,954	2,956,660				
11	Other Schedule M Items	500,000	\$180,285	500,000	\$180,417				
12	Total Tax Additions	\$19,129,153	\$6,897,404	\$19,129,153	\$6,902,455				
Tax Deductions									
14	Additional Tax Depreciation								
15	Cost to Remove								
16	Accrued Vacation Pay								
17	Charges - Operating Reserves	2,710,794	977,432	2,710,794	978,148				
18	Preferred Dividends Paid Credit								
19	Other Schedule M Items	11,940,302	4,305,318	11,940,302	4,308,471				
20	Total Tax Deductions	\$14,651,096	\$5,282,750	\$14,651,096	\$5,286,619				
21	ND Adjustments to Federal Schedule M; ND Jurisdiction		(305,577)		(305,837)				
22	State Taxable Income	\$56,429,072	\$13,267,945	\$55,757,344	\$13,172,394				
23	State Income Tax Rate	4.31%	4.31%	4.31%	4.31%				
24									
25	Current Income Taxes	\$577,410	\$573,151	\$573,269	\$569,032				
26	Transfer to Deferred Income Taxes due to NOL	(\$577,410)	(\$573,151)	(\$573,269)	(\$569,032)				
27	Total State Income Taxes & ND Incremental Tax Rate Adj (\$1302)	\$0	\$0	\$0	\$0				
28	Federal Taxable Income before Adjustments	\$56,429,072	\$12,962,368	\$55,757,344	\$12,866,557				
29	Addback of MN Adjustments to Federal Schedule M; MN Jurisdiction	(3,189,879)	(\$573,151)	(3,139,518)	(569,032)				
30	Federal Taxable Income	\$53,239,193	\$12,389,217	\$52,617,826	\$12,297,525				
31	Federal Income Tax Rate	35.00%	35.00%	35.00%	35.00%				
32									
33	Total Federal Income Taxes	\$18,633,717	\$4,336,226	\$18,416,239	\$4,304,134				
34									
35	Total State and Federal Income Tax	\$18,633,717	\$4,336,226	\$18,416,239	\$4,304,134				

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 COMPUTATION OF DEFERRED INCOME TAXES

Case No. PU-17-
 Exhibit ____ (TAA-1), Schedule C-6
 Page 1 of 1

Line No.	Description	2018 Base Year		2018 Test Year	
		Total Utility (A)	ND Jurisdiction (B)	Total Utility (C)	ND Jurisdiction (D)
1	Excess Tax Over Book Depreciation	\$3,355,439	\$ (8,226)	\$3,355,439	\$ (8,226)
2	Excess Tax Over Book Pensions	(5,155,553)	(261,871)	(5,155,553)	(261,871)
3	Capitalized A & G Expenses Provisions for Operating Reserves in	-	-	-	-
4	Excess of Actual Charges	1,790,792	90,961	1,790,792	90,961
5	Transfer of ND current income taxes due to NOL	3,003,556	573,151	2,999,416	569,033
6	Other Capitalized Items	<u>(394,415)</u>	<u>927,594</u>	<u>(394,415)</u>	<u>927,487</u>
7	TOTAL Deferred Income Taxes	<u><u>\$2,599,820</u></u>	<u><u>\$1,321,609</u></u>	<u><u>\$2,595,679</u></u>	<u><u>\$1,317,384</u></u>

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
OPERATING INCOME SCHEDULES

Case No. PU-17-
Exhibit ___(TAA-1), Schedule C-7
Page 1 of 1

DEVELOPMENT OF FEDERAL AND STATE INCOME TAX RATES

2018 Base Year

2018 Test Year

Let: F=Federal Income Tax = 35.00%
M=Minnesota State Income Tax Rate = 9.80%
D=North Dakota State Income Tax Rate = 4.31%
S=South Dakota Income Tax Rate = 0%
N=Net Income After Interest Deductions but Before Income Taxes

Jurisdictional:

Only Minnesota and Federal Income Taxes

M= 9.80% (N)

F= 31.57% (N)

M+F= 41.37% (N)

Only North Dakota and Federal Income Taxes

D= 4.31% (N)

F= 33.49% (N)

D+F= 37.80% (N)

Only South Dakota and Federal Income Taxes

S= 0.00% (N)

F= 35.00% (N)

S+F= 35.00% (N)

Composite: Combined Minnesota, North Dakota, South Dakota and Federal Income Taxes.

M + D + S + F = 39.40% (N)

- Notes:
- 1 Investment tax credits and surtax credits are ignored.
 - 2 State income taxes are deductible from federal taxable income.
 - 3 Net income is defined at each jurisdictional level.
 - 4 Composite income tax rates are determined by the Income Tax Department based upon apportionment laws (unitary and nonunitary) for each state involved.

Projected Changes

Line No.	Description	(A) 2018 Base Year	(B) Normalize CISOne Project	(C) Rate Case Expense	(D) Normalize Plant Outage	(E) Removal of PTC's	(F) Economic Development	(G) Prorate ADIT for ND Riders	(H) Changes in Allocations due to Effect of Test Year Adjustments	(I) 2018 Test Year
OPERATING REVENUES										
1	Retail Revenue	\$148,037,074						\$34,877	\$0	\$148,071,951
2	Other Electric Operating Revenue	\$10,040,248							\$7,046	\$10,047,294
3	TOTAL OPERATING REVENUE	\$158,077,321	\$0	\$0	\$0	\$0	\$0	\$34,877	\$7,046	\$158,119,244
OPERATING EXPENSES										
4	Production Expenses	\$60,104,536			(\$347,737)				(\$0)	\$59,756,799
5	Transmission Expenses	\$13,507,453							\$0	\$13,507,453
6	Distribution Expenses	\$7,680,921							\$0	\$7,680,921
7	Customer Accounting Expenses	\$6,091,579							\$0	\$6,091,579
8	Customer Service and Information Expenses	\$1,382,509							\$0	\$1,382,509
9	Sales Expenses	\$22,472					200,000		\$0	\$222,472
10	Administration and General Expenses	\$20,112,229		(517,129)					\$1,516	\$19,596,616
11	Charitable Contributions	\$0							\$0	\$0
12	Depreciation Expense	\$20,716,262	709,039						\$0	\$21,425,301
13	General Taxes	\$4,902,302							\$3,590	\$4,905,891
14	TOTAL OPERATING EXPENSES	\$134,520,262	\$709,039	(\$517,129)	(\$347,737)	\$0	\$200,000	\$0	\$5,106	\$134,569,542
15	NET OPERATING INCOME BEFORE INCOME TAXES	\$23,557,059	(\$709,039)	\$517,129	\$347,737	\$0	(\$200,000)	\$34,877	\$1,940	\$23,549,702
INCOME TAX EXPENSE										
16	Investment Tax Credit	(\$1,681,974)				\$1,156,403			(\$636)	(\$526,207)
18	Deferred Income Taxes	\$1,321,609							(\$4,226)	\$1,317,383
19	Income Taxes	\$4,336,226	(268,027)	195,483	131,450	0	(75,603)	13,184	(\$28,578)	\$4,304,134
20	TOTAL INCOME TAX EXPENSE	\$3,975,861	(\$268,027)	\$195,483	\$131,450	\$1,156,403	(\$75,603)	\$13,184	(\$33,439)	\$5,095,310
21	NET OPERATING INCOME	\$19,581,199	(\$441,012)	\$321,646	\$216,287	(\$1,156,403)	(\$124,397)	\$21,693	\$35,379	\$18,454,392
22	Allowance for Funds Used During Construction	0							0	0
23	TOTAL AVAILABLE FOR RETURN	\$19,581,199	(\$441,012)	\$321,646	\$216,287	(\$1,156,403)	(\$124,397)	\$21,693	\$35,379	\$18,454,392

Column references to adjustment worksheets:

- (B) W/P 2018 ND TY-01
- (C) W/P 2018 ND TY-02
- (D) W/P 2018 ND TY-03
- (E) W/P 2018 ND TY-04
- (F) W/P 2018 ND TY-05
- (G) W/P 2018 ND TY-06

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
OPERATING INCOME SCHEDULES
DESCRIPTION OF DETAILS

Summary of Approach used and Assumptions Made to the
Operating Statements

2018 Test Year	
Item of Operating Income	Narration
Operating Revenues	Revenue for the 2018 Test Year is forecasted revenue. Revenues were then pro formed for known and measurable changes as listed in schedule C-8 for the following adjustments: normalized CIS project, rate case expenses, normalized plant in service, the removal of PTC's, economic development, and the proration of ADIT.
Operating Expenses	Expenses for the Test Year were developed by first using allocated expenses for the period. Jurisdictional Allocation methodologies are discussed in Exhibit__(GSI-1), Schedule 2. These expenses were then pro formed for known and measurable changes as listed in Schedule C-8. Refer to Schedule C-10 (all pages) for more details on how costs were allocated to North Dakota.
Depreciation and Amortization Expense	Depreciation and Amortization Expenses for the Test Year were developed by first using allocated Jurisdictional Allocation methodologies are discussed in Exhibit__(GSI-1), Schedule 2 expenses for the period. These expenses were then pro formed for known and measurable changes as listed in Schedule C-8.
Taxes Other Than Income	Taxes Other Than Income Taxes for the Test Year were developed by using expenses as allocated Jurisdictional Allocation methodologies are discussed in Exhibit__(GSI-1), Schedule 2 for the period. These expenses were then pro formed for known and measurable changes as listed in Schedule C-8.
Federal and State Income Taxes	Current taxes are determined by taking "Operating Income Before Taxes" for the jurisdiction and reducing it by the jurisdictional "Schedule M's" and interest expense (using the interest synchronization method) to arrive at taxable income. Current taxes are then computed using jurisdictional tax rates.

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 OPERATING INCOME STATEMENT ALLOCATION FACTORS

The allocation factors on this page were used to determine North Dakota jurisdictional rate base amounts for all of the years presented in these schedules. Accounts not on this page have been directly assigned to jurisdictions. Descriptions under the Allocation Factor column with a / means the first method was used in historic actual and projected, the method after the / is used in the test year.

The following allocation factors are used to compute North Dakota jurisdictional amounts for Expenses as listed below. For a full description of each allocation factor, see OTP's *Cost Allocation Procedure Manual for Jurisdictional and Class Cost of Service Studies*, Ms. Gina Ice's direct testimony, Exhibit ___(GSI-1), Schedule 2.

Line No.	Description	Allocation Basis
<u>ELEMENT OF OPERATING INCOME</u>		
1	<u>Operating Revenues</u>	
2	Sales of Electricity	Direct Assignment
3	Other Operating Revenues	
4	Asset Based Sales	kwh Sales Factor (E2)
5	Municipalities	Direct Assignment (FERC only)
6	Other Electric Revenue	
7	Residential Conservation Services	Directly assigned to Jurisdiction
8	Forfeited Discounts	Directly assigned to Jurisdiction
9	Connection Fees	Directly assigned to Jurisdiction
10	Wheeling	Direct Assignment (FERC only)
11	Income - Rent	Total Net Plant in Service Ratio (NEPIS)
12	Integrated Transmission Agreements	Total Net Plant in Service Ratio (NEPIS)
13	Load Control and Dispatch (also MISO Trans Rev.)	Total Net Plant in Service Ratio (NEPIS)
14	All Other	Total Net Plant in Service Ratio (NEPIS)
15	Loan Pool Interest	Total Net Plant in Service Ratio (NEPIS)
16	<u>Operating Expenses</u>	
17	Production Expenses	
18	Asset-based Sales	kwh Sales Factor (E2)
19	Production and Purchase Expenses	
20	Base Demand	kwh Sales Factor (E1)
21	Peak Demand	Generation Demand Factor (D1)
22	Base Energy	kwh Sales Factor (E2)
23	Peak Energy	Generation Demand Factor (D1)
24	Transmission Expenses	Transmission Demand Factor (D2)
25	Distribution Expenses	
26	Primary Demand	Distribution Primary Demand Factor (D3)
27	Secondary Demand	Distribution Secondary Demand Factor (D4)
28	Primary Customer	Total Distribution Service Locations Factor (C2)
29	Secondary Customer	Total Secondary Distribution Service Locations Factor (C3)
30	Streetlighting	Streetlight Factor (C4)
31	Area Lighting	Area Light Factor (C5)
32	Meters	Meter Factor (C6)
33	Load Management Expenses	Load Management Factor (C9)
34	Customer Accounts Expenses	
35	Meter Reading	Meter Reading Factor (C7)
36	Other	Total System Service Locations Factor (C8)

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 OPERATING INCOME STATEMENT ALLOCATION FACTORS

Line No.	Description	Allocation Basis
	ELEMENT OF OPERATING INCOME	<u>ALLOCATION FACTOR</u>
1	Operating Expenses - continued	
2	Customer Service & Informational	
3	Expenses	
4	Conservation & Promotional Rebates	Directly assigned to Jurisdiction
5	All Other	Total Customer Factor (C1)
6		
6	Sales Expenses	
7	Off-Peak Development	Directly assigned to Jurisdiction
8	All Other	Total Customer Factor (C1)
9	Administrative and General Expenses	
10	A & G Salaries, Office Supplies &	
11	Exp., & Employee Pensions & Benefits	
12	Production	Production Expense Ratio (Excl. Energy Related) (OXPD)
13		
14	Transmission	Transmission Expense Ratio (D2)
15	Distribution	Distribution Expense Ratio (OXD)
16	Customer Accounts	Customer Accounts Expense Ratio (OXC)
17	Customer Service & Informational	Customer Service & Informational Expense (C1) Ratio (OXI)
18		
19	Load Management Expenses	Load Management Factor (C9)
20	Outside Services	Total Net Plant in Service Ratio (NEPIS)
21	Property Insurance	Total Net Plant in Service Ratio (NEPIS)
22	Injuries and Damages	Total Net Plant in Service Ratio (NEPIS)
23		
24	Regulatory Commission Expenses	Directly assigned to Jurisdiction
25	General Advertising	Total Customer Factor (C1)
26	Miscellaneous General Expenses, Rents and Maintenance of General Plant	General Plant in Service Ratio (P90)
27		
28	Charitable Contributions	Directly assigned to Jurisdiction
29	Depreciation Expenses	
30	Production	
31	Base Demand	kwh Sales Factor (E1)
32	Peak Demand	Generation Demand Factor (D1)
33	Base Energy	kwh Sales Factor (E1)
34	Transmission	Transmission Demand Factor (D2)
35	Distribution	General Plant in Service Ratio (P60)
36	General	General Plant in Service Ratio (P90)
37	Intangible	General Plant in Service Ratio (P90)
38	General Taxes	Total Net Plant in Service Ratio (NEPIS)
39	Other Expense	Directly assigned to Jurisdiction

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 OPERATING INCOME STATEMENT ALLOCATION FACTORS

Line No.	Description	Allocation Basis
	<u>ELEMENT OF OPERATING INCOME</u>	<u>ALLOCATION FACTOR</u>
1	<u>Operating Expenses - continued</u>	
2	Investment Tax Credit	
3	Amortization of Prior Years' Credits	Total Gross Plant in Service Ratio (EPIS)
4	Debits Utilized	Federal Income Taxes Before Credits (FITBC)
5		
6	Adjustments	Total Gross Plant in Service Ratio (EPIS)
6		
7	Deferred Income Tax Expense	
8	Items South Dakota flows through:	
	Federal	Total Net Plant in Service Ratio excluding South Dakota (NPMNR)
9		
10	Minnesota	Total Net Plant in Service - MN Ratio (NPISM)
11		
12	North Dakota	Total Net Plant in Service - ND Ratio (NPISN)
13		
14		
15	All Other:	
16	Federal	Total Net Plant in Service Ratio (NEPIS)
17	Minnesota	Total Net Plant in Service - MN Ratio (NPISM)
18		
19	North Dakota	Total Net Plant in Service - ND Ratio (NPISN)
20		
21		
22	Income Taxes	
23	Federal Income Taxes	Separately Calculated by Jurisdiction
24	Minnesota Income Taxes	State Income Tax Factor (ROOM)
25	North Dakota Income Taxes	State Income Tax Factor (ROON)
26		
27	Allowance for Funds Used During Construction	Other Construction Work in Progress Ratio (CWIP Accruing AFDC) (CWIPO)
28		

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 OPERATING INCOME JURISDICTIONAL ALLOCATION FACTORS
 Allocators - Demand, Energy and Customer

Line No.	Item	Factor	2018 Base Year			2018 Test Year		
			Total Utility	North Dakota	All Other	Total Utility	North Dakota	All Other
1	MWH Consumption at Generators - Partial	E1	4,717,027	1,682,012	3,035,015	4,717,027	1,682,012	3,035,015
2	Percentage		100.000000%	35.658308%	64.341692%	100.000000%	35.658308%	64.341692%
3	MWH Consumption at Generators - Total	E2	5,271,408	1,980,855	3,290,553	5,271,408	1,980,855	3,290,553
4	Percentage		100.000000%	37.577342%	62.422658%	100.000000%	37.577342%	62.422658%
5	Generation Demand Factor	D1	740,845	295,156	445,689	740,845	295,156	445,689
6	Percentage		100.000000%	39.840452%	60.159548%	100.000000%	39.840452%	60.159548%
7	Transmission Demand Factor	D2	745,364	295,156	450,208	745,364	295,156	450,208
8	Percentage		100.000000%	39.598907%	60.401093%	100.000000%	39.598907%	60.401093%
9	Distribution - Primary Demand Factor	D3	879,600	403,477	476,123	879,600	403,477	476,123
10	Percentage		100.000000%	45.870509%	54.129491%	100.000000%	45.870509%	54.129491%
11	Distribution - Secondary Demand Factor	D4	1,168,271	561,014	607,257	1,168,271	561,014	607,257
12	Percentage		100.000000%	48.020879%	51.979121%	100.000000%	48.020879%	51.979121%
13	Customer or Meter Factors							
14	Total Retail Customers	C1	133,437	59,557	73,880	133,437	59,557	73,880
15	Percentage		100.000000%	44.633048%	55.366952%	100.000000%	44.633048%	55.366952%
16	Retail Service Locations	C2	140,167	62,754	77,413	140,167	62,754	77,413
17	Percentage		100.000000%	44.770880%	55.229120%	100.000000%	44.770880%	55.229120%
18	Secondary Service Locations	C3	140,091	62,738	77,353	140,091	62,738	77,353
19	Percentage		100.000000%	44.783748%	55.216252%	100.000000%	44.783748%	55.216252%
20	Street Lighting Factor	C4	5,464,004	2,381,279	3,082,725	5,464,004	2,381,279	3,082,725
21	Percentage		100.000000%	43.581209%	56.418791%	100.000000%	43.581209%	56.418791%
22	Area Lighting Factor	C5	4,786,865	2,477,820	2,309,045	4,786,865	2,477,820	2,309,045
23	Percentage		100.000000%	51.762897%	48.237103%	100.000000%	51.762897%	48.237103%
24	Meter Factor	C6	52,603,325	23,503,024	29,100,301	52,603,325	23,503,024	29,100,301
25	Percentage		100.000000%	44.679731%	55.320269%	100.000000%	44.679731%	55.320269%
26	Meter Reading Factor	C7	182,297	77,918	104,379	182,297	77,918	104,379
27	Percentage		100.000000%	42.742338%	57.257662%	100.000000%	42.742338%	57.257662%
28	System Service Locations	C8	140,192	62,757	77,435	140,192	62,757	77,435
29	Percentage		100.000000%	44.765037%	55.234963%	100.000000%	44.765037%	55.234963%
30	Load Management Factor	C9	42,771	18,627	24,144	42,771	18,627	24,144
31	Percentage		100.000000%	43.550537%	56.449463%	100.000000%	43.550537%	56.449463%

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 OPERATING INCOME SCHEDULES
 OPERATING INCOME JURISDICTIONAL ALLOCATION FACTORS
 Allocators - General Plant, Operation and Maintenance Expense and Taxes

Line No.	Item	Factor	2018 Base Year			2018 Test Year		
			Total Utility	North Dakota	All Other	Total Utility	North Dakota	All Other
1	Production Plant	P10	898,927,514	330,519,064	568,408,451	898,927,514	330,519,064	568,408,451
2	Percentage		100.000000%	36.768155%	63.231845%	100.000000%	36.768155%	63.231845%
3	Distribution Plant	P60	497,992,871	228,593,947	269,398,924	497,992,871	228,593,947	269,398,924
4	Percentage		100.000000%	45.903056%	54.096944%	100.000000%	45.903056%	54.096944%
5	General Plant	P90	88,619,779	36,403,979	52,215,800	88,619,779	36,403,979	52,215,800
6	Percentage		100.000000%	41.078842%	58.921158%	100.000000%	41.078842%	58.921158%
7	Electric Plant in Service	EPIS	2,014,590,782	755,122,657	1,259,468,125	2,022,557,141	758,395,145	1,264,161,996
8	Percentage		100.000000%	37.482682%	62.517318%	100.000000%	37.496846%	62.503154%
9	Net Electric Plant in Service	NEPIS	1,250,595,122	450,927,457	799,667,665	1,257,205,303	453,642,842	803,562,460
10	Percentage		100.000000%	36.057030%	63.942970%	100.000000%	36.083434%	63.916566%
11	Operation and Maintenance Expense							
12	Production Expense (Excl Energy)	OXPD	22,971,130	8,370,890	14,600,240	22,971,130	8,370,890	14,600,240
13	Percentage		100.000000%	36.440914%	63.559086%	100.000000%	36.440914%	63.559086%
14	Distribution Expense	OXD	16,917,384	7,680,921	9,236,463	16,917,384	7,680,921	9,236,463
15	Percentage		100.000000%	45.402533%	54.597467%	100.000000%	45.402533%	54.597467%
16	Customer Accounts Expense	OXC	13,849,926	6,091,579	7,758,346	13,849,926	6,091,579	7,758,346
17	Percentage		100.000000%	43.982759%	56.017241%	100.000000%	43.982759%	56.017241%
18	Customer Service & Information Expense	OXI	3,097,502	1,382,509	1,714,992	3,097,502	1,382,509	1,714,992
19	Percentage		100.000000%	44.633048%	55.366952%	100.000000%	44.633048%	55.366952%
20	Other Deferred Income Tax Factor							
21	Minnesota	NPISM	693,906,919	0	693,906,919	697,191,470	0	697,191,470
22	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
23	North Dakota	NPISN	450,927,457	450,927,457	0	453,642,842	453,642,842	0
24	Percentage		100.000000%	100.000000%	0.000000%	100.000000%	100.000000%	0.000000%
25	Excluding South Dakota	NPMNR	1,144,834,375	450,927,457	693,906,919	1,150,834,312	453,642,842	697,191,470
26	Percentage		100.000000%	39.388008%	60.611992%	100.000000%	39.418606%	60.581394%
27	Long-Term CWIP Ratio (W/AFDC)	CWIPLT	28,591,925	0	28,591,925	28,591,925	0	28,591,925
28	Percentage		100.000000%	0.000000%	100.000000%	100.000000%	0.000000%	100.000000%
29	Revenue	R10	390,016,076	148,037,074	241,979,002	390,050,953	148,071,951	241,979,002
30	Percentage		100.000000%	37.956659%	62.043341%	100.000000%	37.962207%	62.037793%
31	Labor and Related Expense	LRE	149,347,123	57,145,581	92,201,542	148,829,994	56,629,968	92,200,026
32	Percentage		100.000000%	38.263597%	61.736403%	100.000000%	38.050104%	61.949896%

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 RATE OF RETURN / COST OF CAPITAL SCHEDULES
 Summary Schedule

Case No. PU-17-
 Exhibit __ (KGM-1), Schedule D-1
 Page 1 of 1

2016 Actual Year

	(A)	(B)	(C)	(D)	(E)
Line No.	Capitalization	Amount	Percent of Total	Cost of Capital	Weighted Cost of Capital
1	Short term debt	\$31,317,314	3.14%	2.67%	0.08%
2	Long term debt	440,604,420	44.19%	5.60%	2.47%
3	Total debt	\$471,921,734	47.3%	5.41%	2.56%
4	Common equity	\$525,252,099	52.7%	10.75%	5.66%
5	Total Capitalization	\$997,173,833	100.0%		8.22%

2017 Current Period

	(A)	(B)	(C)	(D)	(E)
Line No.	Capitalization	Amount	Percent of Total	Cost of Capital	Weighted Cost of Capital
1	Short term debt	\$68,139,381	6.48%	2.69%	0.17%
2	Long term debt	428,519,385	40.75%	5.59%	2.28%
3	Total debt	\$496,658,765	47.2%	5.19%	2.45%
4	Common equity	\$554,985,106	52.8%	10.75%	5.67%
5	Total Capitalization	\$1,051,643,871	100.0%		8.12%

2018 Base Year

	(A)	(B)	(C)	(D)	(E)
Line No.	Capitalization	Amount	Percent of Total	Cost of Capital	Weighted Cost of Capital
1	Short term debt	\$15,979,875	1.49%	4.02%	0.06%
2	Long term debt	492,672,120	46.01%	5.43%	2.50%
3	Total debt	\$508,651,995	47.5%	5.39%	2.56%
4	Common equity	\$562,251,832	52.5%	10.30%	5.41%
5	Total Capitalization	\$1,070,903,826	100.0%		7.97%

2018 Test Year

	(A)	(B)	(C)	(D)	(E)
Line No.	Capitalization	Amount	Percent of Total	Cost of Capital	Weighted Cost of Capital
1	Short term debt	\$15,979,875	1.49%	4.02%	0.06%
2	Long term debt	492,672,120	46.01%	5.43%	2.50%
3	Total debt	\$508,651,995	47.5%	5.39%	2.56%
4	Common equity	\$562,251,832	52.5%	10.30%	5.41%
5	Total Capitalization	\$1,070,903,826	100.0%		7.97%

OTTER TAIL POWER COMPANY
Electric Utility - State of North Dakota
RATE OF RETURN / COST OF CAPITAL SCHEDULES
Cost of Short-Term Debt

2016 Actual Year

Description	PRINCIPAL AMOUNTS OUTSTANDING												Average Monthly Balances
	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	
Line of credit (short-term debt)	\$16,356,965	\$20,155,682	\$27,646,786	\$30,211,755	\$27,516,276	\$24,706,441	\$34,097,585	\$33,774,127	\$33,546,071	\$39,187,600	\$36,860,249	\$45,952,837	\$31,317,314
Interest	\$48,881	\$51,560	\$58,038	\$67,211	\$80,329	\$58,913	\$89,442	\$72,372	\$89,968	\$77,461	\$81,469	\$76,793	\$94,086
	Embedded Cost of Short-Term Debt												2.67%

2017 Current Period

Description	PRINCIPAL AMOUNTS OUTSTANDING												Average Monthly Balances
	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	
Line of credit (short-term debt)	\$45,952,837	\$46,462,852	\$51,598,696	\$54,116,839	\$46,398,625	\$45,466,497	\$58,033,859	\$56,591,495	\$91,279,211	\$100,922,890	\$96,536,142	\$93,585,891	\$98,868,111
Interest	\$94,086	\$99,254	\$106,493	\$107,055	\$105,443	\$108,409	\$130,888	\$137,776	\$125,671	\$203,547	\$255,061	\$226,663	\$224,511
	Embedded Cost of Short-Term Debt												2.69%

2018 Base Year

Description	PRINCIPAL AMOUNTS OUTSTANDING												Average Monthly Balances
	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	
Line of credit (short-term debt)	\$98,868,111	\$97,109,150	\$1,065,735	\$2,062,808	\$0	\$0	\$1,742,979	\$0	\$2,513,778	\$2,392,451	\$0	\$0	\$1,993,358
Total interest expense	\$224,511	\$241,963	\$244,334	\$14,203	\$17,863	\$12,788	\$12,949	\$18,120	\$13,478	\$13,373	\$38,785	\$6,735	\$8,184
	Embedded Cost of Short-Term Debt												4.02%

2018 Test Year

Description	PRINCIPAL AMOUNTS OUTSTANDING												Average Monthly Balances
	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	
Line of credit (short-term debt)	\$98,868,111	\$97,109,150	\$1,065,735	\$2,062,808	\$0	\$0	\$1,742,979	\$0	\$2,513,778	\$2,392,451	\$0	\$0	\$1,993,358
Interest	\$224,511	\$241,963	\$244,334	\$14,203	\$17,863	\$12,788	\$12,949	\$18,121	\$13,478	\$13,373	\$38,783	\$6,735	\$8,184
	Embedded Cost of Short-Term Debt												4.02%

2018 Test Year Operating Revenue Detailed Comparison - by Rate Schedule and Billing Units

Line No.	Charge	Units	Billing Units		Present Rate		Proposed Rate		Present Operating Revenues Annual	Proposed Operating Revenues Annual	Increase Annual	Per Inc. Annual
			Summer	Winter	Summer	Winter	Summer	Winter				
128	Energy - Off-Peak	kWh	18,078	29,986	\$0.04295	\$0.02180	\$0.02363	\$0.02363	\$1,103	\$ -	1,103	(935)
129	Demand per kW - Declared-Peak	kW	-	-	N/A	N/A	-	-	\$ -	\$ -	\$ -	\$ -
130	Demand per kW - Intermediate	kW	88	181	\$2.90	\$3.44	\$5.12	\$5.12	1,229	1,229	\$ -	497
131	Demand per kW - Off-Peak	kW	-	-	\$0.00	\$0.00	\$0.00	\$0.00	\$ -	\$ -	\$ -	\$ -
132	Facilities Charge	kW	-	-	\$0.52	\$0.98	\$0.98	\$0.98	412	787	375	375
133												
134												
135	Total Base Revenue:								\$ 8,328	\$ 8,182	\$ 146	(146)
136	Adjustments for Riders Included in Base Rates											
137	Economic Development Adjustment	kWh	115,581		\$0.00030	\$0.00000			34		34	34
138	Environmental Cost Recovery Rider Adjustment	%	8,328		6.49%	0.00%			541		541	(541)
139	Renewable Resource Adjustment	kWh	115,581		\$0.00511	\$0.00000			590		590	(590)
140	Transmission Rider Adjustment	kWh	115,581		\$0.00534	\$0.00188			617		617	(400)
141	COE Adjustment	kWh	115,581		\$0.00321	\$0.02482			(371)		2,869	3,240
142									1,343		3,086	1,743
143												
144	Total Base Revenue for the COSS Class:								\$ 33,960,007	\$ 31,457,729	\$ 2,502,278	(2,502,278)
145	Total Adjustments for the COSS Class:								\$ 4,990,608	\$ 5,724,182	\$ 733,574	733,574
146									\$ 38,950,615	\$ 42,172,520	\$ 3,221,905	3,221,905
147												
148	10.04 Large General Service - Secondary Service (Rate 603)											
149	Customer Charge	Bills			\$40.00	\$40.00			130,873	706,387	575,514	575,514
150	Energy - First 700,000 kWh (changing to All kWh)	kWh	96,654,016	190,461,494	\$0.05115	\$0.03165	\$0.03268	\$0.03268	14,781,189	13,741,820	(1,039,369)	(7,530,159.93)
151	Energy - Excess kWh	kWh	49,275,147	87,533,453	\$0.04715	\$0.04761			6,490,791		6,490,791	
152	Demand per kW	kW	322,537	623,784	\$7.29	\$5.61	\$6.25	\$6.25	5,850,722	7,566,084	1,715,362	1,715,362
153	Facilities Charge <1,000 kW	kW	212,293	414,007	\$0.0510	\$0.30	\$0.76	\$0.76	187,890	473,465	285,575	285,575
154	Facilities Charge >=1,000 kW	kW	165,998	340,526	\$0.15	\$0.15	\$0.56	\$0.56	75,979	285,330	209,351	209,351
155	TailWinds Program 14.09	kWh	240		\$1.30	\$1.30	\$3.73	\$3.73	312	896	584	584
156												
157	Total Base Revenue:								\$ 27,517,756	\$ 22,773,982	\$ 4,743,774	(4,743,774)
158	Adjustments for Riders Included in Base Rates											
159	Economic Development Adjustment	kWh	423,924,110		\$0.00022	\$0.00000			84,785		84,785	84,785
160	Environmental Cost Recovery Rider Adjustment	%	27,517,756		6.49%	0.00%			1,786,385		1,786,385	(1,786,385)
161	Renewable Resource Adjustment	kWh	423,924,110		\$0.00510	\$0.00000			2,163,720		2,163,720	(2,163,720)
162	Transmission Rider Adjustment	kWh	423,924,110		\$0.00407	\$0.00143			1,725,640		1,725,640	(1,118,067)
163	COE Adjustment	kWh	423,924,110		\$0.00340	\$0.02463			(1,443,142)		10,439,450	11,882,593
164									4,140,146		11,047,023	6,906,877
165	10.04 Large General Service - Primary Service (Rate 602)											
166	Customer Charge	Bills			\$40.00	\$40.00			4,538	31,993	27,455	27,455
167	Energy - First 700,000 kWh (changing to All kWh)	kWh	11,345,397	21,942,716	\$0.05095	\$0.03141	\$0.03399	\$0.03399	1,706,123	4,795,891	3,089,768	(2,041,706)
168	Energy - Excess kWh	kWh	36,328,042	72,521,568	\$0.04695	\$0.04737			5,131,474		5,131,474	
169	Demand per kW	kW	97,630	184,354	\$7.24	\$5.57	\$5.94	\$5.94	1,733,693	2,162,918	429,225	429,225
170	Facilities Charge - All kW	kW	85,885	171,505	\$0.11	\$0.11	\$0.48	\$0.48	3,386	124,401	121,015	121,015
171									\$ 8,579,214	\$ 7,115,203	\$ 1,464,011	(1,464,011)
172	Adjustments for Riders Included in Base Rates											
173	Economic Development Adjustment	kWh	141,937,723		\$0.00022	\$0.00000			30,956		30,956	30,956
174	Environmental Cost Recovery Rider Adjustment	%	8,579,214		6.49%	0.00%			556,941		556,941	(556,941)
175	Renewable Resource Adjustment	kWh	141,937,723		\$0.00510	\$0.00000			724,454		724,454	(724,454)
176	Transmission Rider Adjustment	kWh	141,937,723		\$0.00407	\$0.00143			577,777		203,427	(374,350)
177	COE Adjustment	kWh	141,937,723		\$0.00340	\$0.02463			(483,191)		3,495,323	3,978,514
178									1,345,025		3,698,750	2,353,725
179												
180	14.02 Real Time Pricing - Primary Service (Rate 662)											
181	Customer Charge	Bills			\$199.00	\$199.00			2,494	3,384	890	890
182	Energy - All kWh	kWh	35,803,845		Real Time Pricing	Real Time Pricing	\$382.00	\$382.00	1,097,069	1,097,069	\$ -	(148,332)
183												
184	Adjustments for Riders Included in Base Rates											
185	Economic Development Adjustment	kWh	35,803,845		\$0.00022	\$0.00000			7,806		7,806	7,806
186	Environmental Cost Recovery Rider Adjustment	%	1,245,401		6.49%	0.00%			80,848		80,848	(80,848)
187	Renewable Resource Adjustment	kWh	35,803,845		\$0.00510	\$0.00000			182,744		182,744	(182,744)
188	Transmission Rider Adjustment	kWh	35,803,845		\$0.00407	\$0.00143			145,744		51,314	(94,430)
189	COE Adjustment	kWh	35,803,845		\$0.00340	\$0.02463			(121,885)		881,697	1,003,582
190									279,645		933,011	653,366

2018 Test Year Operating Revenue Detailed Comparison - by Rate Schedule and Billing Units

Line No.	Charge	Units	Billing Units		Present Rate		Proposed Rate		Present Operating Revenues Annual	Proposed Operating Revenues Annual	Increase Annual	Pct Inc. Annual
			Summer	Winter	Summer	Winter	Summer	Winter				
255	Economic Development Adjustment	kWh										
256	Environmental Cost Recovery Rider Adjustment	%			0.0000	\$0.0000						
257	Renewable Resource Adjustment	kWh			6.49%	\$13,134						
258	Transmission Rider Adjustment	kWh			\$0.00510	\$0.00000						
259	COE Adjustment	kWh			\$0.00407	\$0.00143						
260					-\$0.00340	\$0.02463						
261	Total Adjustments:											
262												
263	Total Base Revenue for the COSS Class:											
264	Total Adjustments for the COSS Class:											
265												
266	11.01 Standby Service - Option A: Firm - Secondary Service (Rates 947, 948, 949)											
268	Customer Charge	Bills			\$199.00	\$199.00						
269	Facilities Charge per month per kW of Contracted Backup	kW			\$0.30	\$0.30						
270	Reservation Charge per kW of Contracted Backup	kW			\$0.85069	\$0.99697						
271	Metered Demand per day per kW On-Peak Backup	kW			\$0.49076	\$0.32187						
272	Energy - On-Peak	kWh			\$0.08150	\$0.07314						
273	Energy - Shoulder	kWh			\$0.06247	\$0.05949						
274	Energy - Off-Peak	kWh			\$0.03721	\$0.04199						
275												
276	Total:											
277	11.01 Standby Service - Option A: Firm - Primary Service (Rates 944, 945, 946)											
278	Customer Charge	Bills			\$199.00	\$199.00						
279	Facilities Charge per month per kW of Backup	kW			\$0.11	\$0.11						
280	Reservation Charge per kW of Contracted Backup	kW			\$0.84590	\$0.99634						
281	Metered Demand per day per kW On-Peak Backup	kW			\$0.48683	\$0.31978						
282	Energy - On-Peak	kWh			\$0.08115	\$0.04529						
283	Energy - Shoulder	kWh			\$0.06221	\$0.03527						
284	Energy - Off-Peak	kWh			\$0.03709	\$0.02300						
285	Conservation Improvement Program											
286	Total:											
287	11.01 Standby Service - Option A: Firm - Transmission Service (Rates 941, 942, 943)											
288	Customer Charge	Bills			\$199.00	\$199.00						
289	Facilities Charge per month per kW of Backup	kW			\$0.11	\$0.11						
290	Reservation Charge per kW of Contracted Backup	kW			\$0.81704	\$0.99254						
291	Metered Demand per day per kW On-Peak Backup	kW			\$0.35865	\$0.28694						
292	Energy - On-Peak	kWh			\$0.07900	\$0.07063						
293	Energy - Shoulder	kWh			\$0.06066	\$0.05752						
294	Energy - Off-Peak	kWh			\$0.03635	\$0.02798						
295	Conservation Improvement Program											
296	Total:											
297	11.01 Standby Service - Option B: Non-Firm - Secondary Service (Rates 956, 957, 958)											
298	Customer Charge	Bills			\$199.00	\$199.00						
299	Facilities Charge per month per kW of Backup	kW			\$0.30	\$0.30						
300	Energy - On-Peak	kWh			N/A	N/A						
301	Energy - Shoulder	kWh			\$0.06247	\$0.05949						
302	Energy - Off-Peak	kWh			\$0.03721	\$0.04199						
303	Conservation Improvement Program											
304	Total:											
305	11.01 Standby Service - Option B: Non-Firm - Primary Service (Rates 953, 954, 955)											
306	Customer Charge	Bills			\$199.00	\$199.00						
307	Facilities Charge per month per kW of Backup	kW			\$0.11	\$0.11						
308	Energy - On-Peak	kWh			N/A	N/A						
309	Energy - Shoulder	kWh			\$0.06221	\$0.05921						
310	Energy - Off-Peak	kWh			\$0.03709	\$0.04181						
311	Conservation Improvement Program											
312	Total:											
313	11.01 Standby Service - Option B: Non-Firm - Transmission Service (Rates 950, 951, 952)											
314	Customer Charge	Bills			\$199.00	\$199.00						
315	Facilities Charge per month per kW of Backup	kW			N/A	N/A						
316	Energy - On-Peak	kWh			\$0.06066	\$0.05752						
317	Energy - Shoulder	kWh			\$0.03635	\$0.02798						
318	Energy - Off-Peak	kWh										

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2018 Test Year Operating Revenue Detailed Comparison - by Rate Schedule and Billing Units

Line No.	Charge	Units	Billing Units		Present Rate		Proposed Rate		Present Operating Revenues Annual	Proposed Operating Revenues Annual	Increase Annual	Pct Inc. Annual
			Summer	Winter	Summer Present	Winter Proposed	Summer	Winter				
447	Adjustments for Riders included in Base Rates											
448	Economic Development Adjustment	kWh	4,558,576	\$0.00000	\$0.00000	-	-\$1,806	\$	-\$1,806	\$	1,806	
449	Environmental Cost Recovery Rider Adjustment	%	530,119	0.00%	0.00%	-	-\$34,413	\$	-\$34,413	\$	(34,413)	
450	Renewable Resource Adjustment	kWh	4,558,576	\$0.00511	\$0.00000	-	-\$23,313	\$	-\$23,313	\$	(23,313)	
451	Transmission Rider Adjustment	kWh	4,558,576	\$0.00306	\$0.00108	-	-\$13,947	\$	4,910	\$	(9,036)	
452	COE Adjustment	kWh	4,558,576	-\$0.00333	\$0.02470	-	-\$15,160	\$	112,617	\$	127,777	
453	Total Adjustments:						\$4,707	\$	117,528	\$	62,821	
454								\$	2,597,928	\$	2,648,173	\$
455	Total Base Revenue for the COSS Class:							\$	271,215	\$	593,959	\$
456	Total Adjustments for the COSS Class:							\$	2,869,143	\$	3,242,131	\$
457								\$		\$		13.00%
458								\$		\$		
459								\$		\$		
460								\$		\$		
461	11.05 Municipal Pumping - Secondary Service (Rate 872)											
462	Customer Charge	Bills	6,929	\$4.00	\$4.00		\$26.50	\$	\$26.50	\$		
463	Facilities Charge (Changing per Month to per KW)	KW	-	\$4.00	\$4.00		\$0.65	\$	\$0.65	\$		
464	Energy - All kWh	kWh	16,459,057	\$0.06523	\$0.05950	-	-\$0.05159	\$	1,039,969	\$	928,426	\$
465	Total Base Revenue:							\$		\$		(111,543)
466	Adjustments for Riders included in Base Rates											
467	Economic Development Adjustment	kWh	16,459,057	-\$0.00022	\$0.00000	-	-\$3,667	\$	-\$3,667	\$	3,667	
468	Environmental Cost Recovery Rider Adjustment	%	1,039,969	6.49%	0.00%	-	-\$67,512	\$	-\$67,512	\$	(67,512)	
469	Renewable Resource Adjustment	kWh	16,459,057	\$0.00510	\$0.00000	-	-\$84,012	\$	-\$84,012	\$	(84,012)	
470	Transmission Rider Adjustment	kWh	16,459,057	\$0.00421	\$0.00148	-	-\$69,279	\$	24,392	\$	(44,887)	
471	COE Adjustment	kWh	16,459,057	-\$0.00347	\$0.02456	-	-\$72,888	\$	404,259	\$	461,347	
472	Total Adjustments:							\$	160,049	\$	428,652	\$
473								\$		\$		268,603
474								\$		\$		
475								\$		\$		
476	11.05 Municipal Pumping - Primary Service (Rate 874)											
477	Customer Charge	Bills	-	\$4.00	\$4.00		\$26.50	\$	\$26.50	\$		
478	Facilities Charge (Changing per Month to per KW)	KW	-	\$2.68	\$2.68		\$0.65	\$	\$0.65	\$		
479	Energy - All kWh	kWh	-	\$0.06494	\$0.05922	-	-\$0.05159	\$	\$0.05159	\$		
480	Total Base Revenue:							\$		\$		
481								\$		\$		
482								\$		\$		
483								\$		\$		
484	11.06 Civil Defense - Fire Sirens (Rate 843)											
485	Customer Charge	Bills	816	\$1.00	\$1.00		\$1.22	\$	\$1.22	\$		
486	Load Charge	HP	5,658	\$0.53193	\$0.53193		\$0.42962	\$	\$0.42962	\$		
487	Total Base Revenue:							\$	3,727	\$	3,426	\$
488	Adjustments for Riders included in Base Rates											
489	Economic Development Adjustment	kWh	-	-\$0.00022	\$0.00000	-	-	\$	-	\$	-	
490	Environmental Cost Recovery Rider Adjustment	%	3,727	6.49%	0.00%	-	-\$242	\$	-\$242	\$	(242)	
491	Renewable Resource Adjustment	kWh	-	\$0.00510	\$0.00000	-	-	\$	-	\$	-	
492	Transmission Rider Adjustment	kWh	-	\$0.00421	\$0.00148	-	-	\$	-	\$	-	
493	COE Adjustment	kWh	-	-\$0.00347	\$0.02456	-	-\$242	\$	242	\$	-	
494	Total Adjustments:							\$		\$		(242)
495								\$		\$		
496								\$		\$		
497	14.01 Water Heating - Controlled Service (Rate 191)											
498	Customer Charge	Bills	68,012	\$1.00	\$1.00		\$4.00	\$	\$4.00	\$		
499	Facilities Charges per Month	Bills	68,012	\$1.00	\$1.00		\$2.00	\$	\$2.00	\$		
500	Energy - All kWh	kWh	14,999,371	\$0.05773	\$0.05638	-	-\$0.03317	\$	\$0.03317	\$		
501	Total Base Revenue:							\$	987,779	\$	858,515	\$
502	Adjustments for Riders included in Base Rates											
503	Economic Development Adjustment	kWh	14,999,371	-\$0.00023	\$0.00000	-	-\$3,470	\$	-\$3,470	\$	3,470	
504	Environmental Cost Recovery Rider Adjustment	%	987,779	6.49%	0.00%	-	-\$64,123	\$	-\$64,123	\$	(64,123)	
505	Renewable Resource Adjustment	kWh	14,999,371	\$0.00510	\$0.00000	-	-\$76,539	\$	-\$76,539	\$	(76,539)	
506	Transmission Rider Adjustment	kWh	14,999,371	\$0.00055	\$0.00019	-	-\$8,190	\$	2,884	\$	(5,307)	
507	COE Adjustment	kWh	14,999,371	-\$0.00321	\$0.02482	-	-\$48,149	\$	372,283	\$	420,432	
508	Total Adjustments:							\$	97,254	\$	375,167	\$
509								\$		\$		
510	Total Base Revenue for the COSS Class:							\$	987,779	\$	858,515	\$
	Total Adjustments for the COSS Class:							\$	1,203,986	\$	1,360,504	\$
								\$		\$		13.00%

2018 Test Year Operating Revenue Detailed Comparison - by Rate Schedule and Billing Units

Line No.	Charge	Units	Billing Units		Present Rate		Proposed Rate		Present Operating Revenues Annual	Proposed Operating Revenues Annual	Increase Annual	Pct Inc. Annual
			Summer	Winter	Summer	Winter	Summer	Winter				
575	Environmental Cost Recovery Rider Adjustment	%			6.49%	0.00%			\$ 335,349	\$ -	\$ (335,349)	
576	Renewable Resource Adjustment	kWh	130,200,104		\$0.00510	\$0.00000			\$ 663,810	\$ -	\$ (663,810)	
577	Transmission Rider Adjustment	kWh	130,200,104		\$0.00081	\$0.00028			\$ 105,370	\$ 37,099	\$ (68,271)	
578	COE Adjustment	kWh	130,200,104		-\$0.00259	\$0.02544			\$ (337,018)	\$ 3,312,491	\$ 3,649,509	
579	Total Adjustments:								\$ 750,553	\$ 3,349,591	\$ 2,599,037	
580												
581												
582												
583												
584												
585												
586												
587												
588	14.06 Controlled Service - Deferred Load Rider (Rates 197, 195, 883)											
589	Customer Charge	Bills			\$3.00	\$3.00			\$ 28,544	\$ 83,728	\$ 55,185	
590	Facilities Charge	Bills			\$4.00	\$4.00			\$ 38,058	\$ 110,369	\$ 72,311	
591	Energy - All kWh	kWh	1,115,150	15,873,655	\$0.05154	\$0.05002			\$ 851,475	\$ 430,209	\$ (421,266)	
592	Penalty kWh	kWh	37	1,828	\$0.33802	\$0.11510			\$ 316	\$ -	\$ (316)	
593	Total Base Revenue:								\$ 918,394	\$ 624,307	\$ (294,087)	
594	Adjustments for Riders included in Base Rates											
595	Economic Development Adjustment	%	16,990,670		-\$0.00016	\$0.00000			\$ (2,758)	\$ -	\$ 2,758	
596	Environmental Cost Recovery Rider Adjustment	kWh	918,394		6.49%	0.00%			\$ 59,620	\$ -	\$ (59,620)	
597	Renewable Resource Adjustment	kWh	16,990,670		\$0.00510	\$0.00000			\$ 86,658	\$ -	\$ (86,658)	
598	Transmission Rider Adjustment	kWh	16,990,670		\$0.00089	\$0.00031			\$ 15,168	\$ 5,341	\$ (9,828)	
599	COE Adjustment	kWh	16,990,670		-\$0.00241	\$0.02562			\$ (40,940)	\$ 476,249	\$ 435,309	
600	Total Adjustments:								\$ 117,748	\$ 440,650	\$ 322,901	
601												
602	14.07 Fixed Time of Service Rider - Self-Contained Metering (Rates 301, 884)											
603	Customer Charge	Bills	1,346	2,704	\$1.00	\$1.00			\$ 6,70	\$ 4,050	\$ 23,082	
604	Facilities Charge	Bills	1,346	2,704	\$3.00	\$3.00			\$ 6,00	\$ 12,148	\$ 12,148	
605	Energy - All kWh	kWh	133,534	6,324,579	\$0.02774	\$0.02937			\$ 189,457	\$ 108,701	\$ (80,756)	
606	Penalty kWh	kWh	15,850	341,830	\$0.09400	\$0.07385			\$ 37,213	\$ 37,213	\$ -	
607	Total Base Revenue:								\$ 242,868	\$ 160,130	\$ (82,739)	
608	Adjustments for Riders included in Base Rates											
609	Economic Development Adjustment	%	6,815,793		-\$0.00016	\$0.00000			\$ (1,106)	\$ -	\$ 1,106	
610	Environmental Cost Recovery Rider Adjustment	kWh	242,868		6.49%	0.00%			\$ 15,766	\$ -	\$ (15,766)	
611	Renewable Resource Adjustment	kWh	6,815,793		\$0.00510	\$0.00000			\$ 34,763	\$ -	\$ (34,763)	
612	Transmission Rider Adjustment	kWh	6,815,793		\$0.00089	\$0.00031			\$ 6,085	\$ 2,142	\$ (3,942)	
613	COE Adjustment	kWh	6,815,793		-\$0.00241	\$0.02562			\$ (16,422)	\$ 174,624	\$ 191,046	
614	Total Adjustments:								\$ 39,086	\$ 176,766	\$ 137,681	
615												
616	14.07 Fixed Time of Service Rider - CT Metering (Rates 302, 885)											
617	Customer Charge	Bills	224	451	\$1.50	\$1.50			\$ 6,70	\$ 1,012	\$ 4,519	
618	Facilities Charge	Bills	224	451	\$19.00	\$19.00			\$ 38,00	\$ 12,815	\$ 12,815	
619	Energy - All kWh	kWh	138,334	4,855,242	\$0.02774	\$0.02937			\$ 146,436	\$ 83,994	\$ (62,442)	
620	Penalty kWh	kWh	21,303	131,829	\$0.09400	\$0.07385			\$ 16,201	\$ 16,201	\$ -	
621	Total Base Revenue:								\$ 176,464	\$ 114,143	\$ (62,321)	

2018 Test Year Operating Revenue Detailed Comparison - by Rate Schedule and Billing Units

Line No.	Charge	Units	Billing Units			Present Rate		Proposed Rate		Present Operating Revenues Annual	Proposed Operating Revenues Annual	Increase Annual	Pct Inc. Annual
			Summer	Winter	Annual	Summer Present	Winter Proposed	Summer	Winter				
622	<i>Adjustments for Riders Included in Base Rates</i>												
623	Economic Development Adjustment	kWh			5,146,708	\$0.00016	\$0.00000			\$ (835)	\$ -	\$ 835	
624	Environmental Cost Recovery Rider Adjustment	%			176,464	6.49%	0.00%			11,456	\$ -	(11,456)	
625	Renewable Resource Adjustment	kWh			5,146,708	\$0.00510	\$0.00000			26,250	\$ -	(26,250)	
626	Transmission Rider Adjustment	kWh			5,146,708	\$0.00089	\$0.00031			4,595	1,618	(2,977)	
627	COE Adjustment	kWh			5,146,708	\$0.00241	\$0.02562			(12,401)	131,861	144,262	
628										29,064	133,479	104,415	
629													
630	14.07 Fixed Time of Service Rider - Primary CT Metering (Rates 303, 886)	Bills			-	\$3.00	\$3.00	\$6.70					
631	Customer Charge	Bills			-	\$9.00	\$9.00	\$18.00					
632	Facilities Charge	kWh			-	\$0.02926	\$0.02926	\$0.01519					
633	Energy - All kWh	kWh			-	\$0.09389	\$0.07374	\$0.06736					
634	Penalty kWh	kWh			-								
635													
636													
637													
638													
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646													
	Total Base Revenue for the COSS Class:									\$ 1,337,726	\$ 898,580	\$ (439,146)	
	Total Adjustments for the COSS Class:									\$ 185,898	\$ 750,895	\$ 564,997	
	Total for the COSS Class:									\$ 1,523,624	\$ 1,649,475	\$ 125,851	8.26%
	Total Base Revenue:									\$ 128,789,562	\$ 116,054,916	\$ (12,734,646)	
	Total Adjustments:									\$ 19,282,388	\$ 47,732,355	\$ 28,449,967	
	TOTAL:									\$ 148,071,950	\$ 163,787,271	\$ 15,715,320	10.61%

LINE NO	ITEM	ALLOC	NORTH DAKOTA	RESIDENTIAL	FARMS	GENERAL SERVICE	LARGE GENERAL SERVICE	IRRIGATION	OUTDOOR LIGHTING	OPA	CONTROLLED WATER HEATING	CONTROLLED SERVICE INTERRUPT	CONTROLLED SERVICE DEFERRED
1	RATE BASE		354,191,795	125,874,811	8,479,201	88,428,075	90,600,482	313,267	8,217,318	3,262,553	3,755,746	22,051,030	3,209,311
2													
3	TOTAL AVAILABLE FOR RETURN		18,454,393	3,412,418	175,289	6,783,796	7,904,724	(10,715)	247,020	61,466	(33,919)	(256,217)	170,530
4													
5	RATE OF RETURN EARNED		5.21%	2.71%	2.07%	7.67%	8.72%	-3.42%	3.01%	1.88%	-0.90%	-1.16%	5.31%
6													
7	RATE OF RETURN REQUESTED		7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%
8													
9	OPERATING INCOME REQUIRED		28,229,086	10,032,222	675,792	7,047,718	7,220,858	24,967	654,920	260,026	299,333	1,757,467	255,782
10													
11	TOTAL AVAILABLE FOR RETURN		18,454,393	3,412,418	175,289	6,783,796	7,904,724	(10,715)	247,020	61,466	(33,919)	(256,217)	170,530
12													
13	OPERATING INCOME DEFICIENCY		9,774,693	6,619,804	500,503	263,921	(863,866)	35,683	407,900	198,560	333,252	2,013,684	85,252
14													
15	INCREMENTAL TAXES		5,940,627	4,023,224	304,184	160,400	(415,623)	21,686	247,904	120,676	202,536	1,223,628	51,812
16													
17	REVENUE INCREASE REQUIRED		15,715,320	10,643,028	804,687	424,321	(1,069,489)	57,369	655,804	319,236	535,787	3,237,513	137,064
18													
19	PERCENTAGE INCREASE		10.61%	22.08%	30.80%	1.09%	-2.55%	97.10%	22.86%	26.51%	49.38%	38.55%	9.00%
20													
21													
22													
23													
24													
25	RETURN ON EQUITY		5.05%	0.29%	-0.94%	9.74%	11.74%	-11.39%	0.85%	-1.29%	-6.60%	-7.09%	5.24%
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LINE NO	ITEM	ALLOC	NORTH DAKOTA	RESIDENTIAL	FARMS	GENERAL SERVICE	LARGE GENERAL SERVICE	IRRIGATION	OUTDOOR LIGHTING	OPA	CONTROLLED WATER HEATING	CONTROLLED SERVICE INTERRUPT	CONTROLLED SERVICE DEFERRED
1	ELECTRIC PLANT IN SERVICE		758,395,145	268,789,509	18,306,082	188,625,881	183,923,428	697,718	18,079,773	6,995,635	8,323,741	47,634,736	7,018,641
2	ACCUMULATED DEPRECIATION		(304,752,303)	(107,455,040)	(7,425,306)	(75,381,606)	(78,158,675)	(293,907)	(7,542,568)	(2,820,798)	(3,496,405)	(19,270,108)	(2,907,900)
3	NET PLANT EXCLUDING BIG STONE PLANT CAPITALIZED		453,642,842	161,334,469	10,880,777	113,244,275	115,764,752	403,812	10,537,216	4,174,837	4,827,336	28,364,629	4,110,741
4	NET CAPITALIZED ITEMS - BIG STONE PLANT		0	0	0	0	0	0	0	0	0	0	0
5	NET ELECTRIC PLANT IN SERVICE		453,642,842	161,334,469	10,880,777	113,244,275	115,764,752	403,812	10,537,216	4,174,837	4,827,336	28,364,629	4,110,741
6	PLANT HELD FOR FUTURE USE		13,044	5,042	394	2,992	2,172	26	536	108	257	1,364	154
7	CONSTRUCTION WORK IN PROGRESS		271,748	100,098	5,811	77,741	75,453	0	2,609	2,503	207	6,646	677
8	MATERIALS AND SUPPLIES		8,275,549	3,008,199	218,307	2,011,013	1,866,277	10,572	248,399	73,431	114,622	641,497	83,231
9	FUEL STOCKS		4,430,805	1,399,466	88,417	1,202,943	1,573,694	0	49,895	46,385	14,908	27,090	28,008
10	PREPAYMENTS		(13,198,141)	(4,694,170)	(316,596)	(3,294,943)	(3,368,278)	(11,749)	(306,590)	(121,471)	(140,456)	(825,294)	(119,606)
11	CUSTOMER ADVANCES		(365,882)	(130,123)	(8,776)	(91,366)	(93,369)	(326)	(8,498)	(3,367)	(3,893)	(22,877)	(3,315)
12	CASH WORKING CAPITAL		3,602,273	1,287,828	68,861	857,652	931,427	2,155	74,145	33,236	33,277	265,641	38,051
13	ACCUMULATED DEFERRED INCOME TAXES		(102,479,443)	(36,445,999)	(2,458,004)	(25,582,262)	(26,151,647)	(91,222)	(2,380,392)	(943,110)	(1,090,511)	(6,407,665)	(928,630)
14	UNAMORTIZED BALANCE - SPIRITWOOD		0	0	0	0	0	0	0	0	0	0	0
15	UNAMORTIZED RATE CASE EXPENSE		0	0	0	0	0	0	0	0	0	0	0
16	TOTAL AVERAGE RATE BASE		354,191,795	125,874,811	8,479,201	88,428,075	90,600,482	313,267	8,277,318	3,262,653	3,785,746	22,051,030	3,209,311

LINE NO	ITEM	ALLOC	NORTH DAKOTA	RESIDENTIAL	FARMS	GENERAL SERVICE	LARGE GENERAL SERVICE	IRRIGATION	OUTDOOR LIGHTING	OPA	CONTROLLED WATER HEATING	CONTROLLED SERVICE INTERRUPT	CONTROLLED SERVICE DEFERRED
1	PLANT IN SERVICE		0	0	0	0	0	0	0	0	0	0	0
2	A/C 101 & 106 - Direct MN	Direct MN	471,573	145,674	9,041	123,091	162,744	50	5,146	4,779	2,131	14,979	3,939
3	A/C 101 & 106 - Direct ND	Direct ND	0	0	0	0	0	0	0	0	0	0	0
4	A/C 101 & 106 - Direct SD	Direct SD	471,573	145,674	9,041	123,091	162,744	50	5,146	4,779	2,131	14,979	3,939
5	Subtotal A/C 101 & 106 - Direct Assigned		943,146	291,348	18,082	246,182	325,488	100	10,292	9,558	4,262	29,958	7,878
6	PRODUCTION PLANT												
7	A/C 101 & 106 - BASE DEMAND	E1	181,639,306	54,192,273	3,538,054	48,431,367	69,205,378	0	2,145,855	1,977,608	768,668	0	1,380,103
8	PEAK DEMAND	D1	70,042,290	25,800,146	1,497,875	20,037,644	19,447,939	0	672,525	645,235	53,394	1,713,112	174,420
9	BASE ENERGY	E2	77,787,414	21,782,149	1,280,189	17,523,870	25,040,506	34,871	776,439	716,571	667,466	8,767,845	1,198,509
10	Subtotal A/C 101 & 106		329,468,810	101,920,241	6,325,159	86,115,971	113,856,566	34,921	3,599,865	3,343,193	1,491,659	10,495,936	2,756,971
11	A/C 114 - BASE DEMAND	E1	462,874	138,099	9,016	123,418	176,357	0	5,468	5,040	1,959	0	3,517
12	PEAK DEMAND	D1	115,607	42,584	2,472	33,073	32,059	0	1,110	1,065	86	2,828	288
13	BASE ENERGY	E1	0	0	0	0	0	0	0	0	0	0	0
14	Subtotal A/C 114		578,481	180,683	11,488	156,491	208,456	0	6,578	6,105	2,047	2,828	3,805
15	TOTAL PRODUCTION PLANT	P10	330,519,084	102,100,924	6,336,648	86,272,462	114,065,023	34,921	3,606,544	3,349,297	1,493,705	10,498,764	2,760,776
16	TRANSMISSION PLANT												
17	A/C 101 & 106	D2	153,803,850	56,653,798	3,289,142	44,000,086	42,705,169	0	1,476,779	1,416,853	117,246	3,761,773	383,004
18	A/C 101 & 106 (Direct FERC)	Direct FERC	0	0	0	0	0	0	0	0	0	0	0
19	A/C 114	D2	23,081	8,502	494	6,603	6,409	0	222	213	18	565	57
20	Subtotal A/C 101 & 106		153,826,931	56,662,300	3,289,635	44,006,689	42,711,578	0	1,477,000	1,417,066	117,264	3,762,338	383,061
21	TOTAL TRANSMISSION PLANT		153,826,931	56,662,300	3,289,635	44,006,689	42,711,578	0	1,477,000	1,417,066	117,264	3,762,338	383,061
22	DISTRIBUTION PLANT												
23	PRIMARY DEMAND	D3	85,455,191	19,727,825	3,665,146	18,521,218	21,094,127	301,599	1,250,025	609,340	1,728,263	16,683,456	1,874,191
24	SECONDARY DEMAND	D4	48,993,034	13,434,585	2,480,418	11,281,303	6,887,061	198,150	496,817	449,048	1,987,443	10,603,103	1,175,105
25	PRIMARY CUSTOMER	C2	34,970,609	26,866,303	634,725	6,910,086	101,979	46,810	55,727	322,099	5,302	23,405	3,901
26	SECONDARY CUSTOMER	C3	33,265,375	25,562,769	603,928	6,571,632	91,729	44,539	53,023	306,471	5,302	22,270	3,712
27	STREET LIGHTING	C4	6,080,955	0	0	0	0	0	6,080,955	0	0	0	0
28	AREA LIGHTING	C5	4,151,739	0	0	0	0	0	4,151,739	0	0	0	0
29	METERS	C6	11,882,166	3,523,813	275,411	4,242,213	286,799	21,125	19,880	125,290	1,239,322	1,854,392	294,112
30	LOAD MANAGEMENT	C9	3,794,879	826,329	1,019	4,278	204	4,890	0	0	1,164,928	1,636,156	157,076
31	TOTAL DISTRIBUTION PLANT	P60	228,993,947	89,941,425	7,660,647	47,530,731	28,461,889	617,113	12,108,175	1,812,248	6,130,832	30,822,781	3,508,686
32	GENERAL PLANT												
33	PRODUCTION	P10	12,384,738	3,825,780	237,438	3,232,678	4,274,081	1,309	135,139	125,500	55,970	393,395	103,448
34	TRANSMISSION	D2	5,159,935	1,900,667	110,347	1,476,150	49,544	0	47,534	47,534	3,933	126,203	12,848
35	DISTRIBUTION	P60	9,686,132	3,810,863	324,568	2,013,795	1,205,882	26,146	513,003	76,782	259,753	1,305,908	148,532
36	CUSTOMER ACCOUNTS	OXC	7,380,245	5,233,900	117,779	1,629,169	35,817	7,981	11,256	68,789	102,939	150,890	21,944
37	CUSTOMER SERVICE & INFO	OXI	1,655,501	1,284,329	26,046	310,325	7,255	973	2,279	15,399	6,638	1,084	1,084
38	LOAD MANAGEMENT	C9	138,429	30,143	37	156	7	178	0	0	42,494	59,683	5,730
39	TOTAL GENERAL PLANT	P90	36,403,979	16,065,482	816,215	8,662,273	6,955,550	36,587	711,221	333,984	466,062	2,042,917	293,687
40	INTANGIBLE PLANT												
41	INTANGIBLE PLANT	P90	9,051,224	3,999,379	202,938	2,153,725	1,729,378	9,097	176,833	83,039	115,678	507,936	73,020
42	TOTAL PLANT IN SERVICE	EPIS	798,395,145	288,789,509	18,306,082	188,625,881	193,923,428	697,718	18,079,773	6,995,635	8,323,741	47,634,736	7,018,641

LINE NO	ITEM	ALLOC	NORTH DAKOTA	RESIDENTIAL	FARMS	GENERAL SERVICE	LARGE GENERAL SERVICE	IRRIGATION	OUTDOOR LIGHTING	OPA	CONTROLLED WATER HEATING	CONTROLLED SERVICE INTERRUPT	CONTROLLED SERVICE DEFERRED
1	CUSTOMER ADVANCES	NEPIS	(365,882)	(130,123)	(8,776)	(91,336)	(93,369)	(326)	(8,499)	(3,367)	(3,893)	(22,877)	(3,315)
2	CASH WORKING CAPITAL	OX	3,602,273	1,297,828	68,861	857,652	931,427	2,155	74,145	33,236	33,277	285,641	38,051
3													
4													
5	ACCUMULATED DEFERRED INCOME TAXES												
6	ITEMS SD FLOWS THROUGH												
7	FEDERAL	NPWNR	171,690	61,057	4,118	42,857	43,811	153	3,988	1,590	1,827	10,735	1,556
8	MINNESOTA	NPISM	0	0	0	0	0	0	0	0	0	0	0
9	NORTH DAKOTA	NPISN	35,772	12,722	858	8,930	9,129	32	831	329	381	2,237	324
10													
11	SUBTOTAL		207,452	73,779	4,976	51,787	52,939	185	4,819	1,929	2,208	12,971	1,880
12													
13	ALL OTHER												
14	FEDERAL	NEPIS	(65,909,541)	(23,439,848)	(1,580,839)	(16,452,954)	(16,819,148)	(58,669)	(1,530,924)	(606,551)	(701,351)	(4,121,020)	(597,238)
15	FEDERAL (Direct FERC)	Direct FERC	0	0	0	0	0	0	0	0	0	0	0
16	MINNESOTA	NPISM	0	0	0	0	0	0	0	0	0	0	0
17	NORTH DAKOTA	NPISN	(36,778,353)	(13,079,929)	(882,141)	(9,181,095)	(9,365,438)	(32,738)	(854,288)	(338,468)	(391,368)	(2,299,616)	(333,272)
18													
19	SUBTOTAL		(102,686,895)	(36,519,777)	(2,462,980)	(25,634,049)	(26,204,586)	(91,407)	(2,385,211)	(945,019)	(1,092,719)	(6,420,636)	(930,510)
20													
21	TOTAL ACCUMULATED DEFERRED INCOME TAXES		(102,479,443)	(36,445,969)	(2,458,004)	(25,562,262)	(26,151,647)	(91,222)	(2,380,392)	(943,110)	(1,090,511)	(6,407,665)	(928,630)
22													
23	UNAMORTIZED BALANCE - SPIRITWOOD PL	P10	0	0	0	0	0	0	0	0	0	0	0
24													
25													
26													
27	UNAMORTIZED RATE CASE EXPENSES	R10	0	0	0	0	0	0	0	0	0	0	0
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	TOTAL AVERAGE RATE BASE		354,191,795	125,874,811	8,479,201	88,428,075	90,600,482	313,267	8,217,318	3,262,553	3,755,746	22,051,030	3,209,311

LINE NO	ITEM	ALLOC	NORTH DAKOTA	RESIDENTIAL	FARMS	GENERAL SERVICE	LARGE GENERAL SERVICE	IRRIGATION	OUTDOOR LIGHTING	OPA	CONTROLLED WATER HEATING	CONTROLLED SERVICE INTERRUPT	CONTROLLED SERVICE DEFERRED
1	GENERAL TAXES	NEPIS	4,905,891	1,744,741	117,669	1,224,673	1,251,930	4,367	113,954	45,149	52,205	306,747	44,455
2	GENERAL TAXES (Direct FERC)	Direct FERC	0	0	0	0	0	0	0	0	0	0	0
3	TOTAL GENERAL TAXES		4,905,891	1,744,741	117,669	1,224,673	1,251,930	4,367	113,954	45,149	52,205	306,747	44,455
4	NET OPERATING INCOME BEFORE TAX (NOBIT)		23,549,703	3,639,892	162,949	9,152,711	10,811,063	(19,847)	273,540	53,726	(95,773)	(646,775)	218,217
5	INVESTMENT TAX CREDIT		(526,207)	(186,498)	(12,702)	(130,877)	(134,552)	(484)	(12,545)	(4,854)	(5,775)	(33,051)	(4,870)
6	AMORTIZE PRIOR YEARS CREDIT	EPIS	0	0	0	0	0	0	0	0	0	0	0
7	DEBITS UTILIZED	EPIS	0	0	0	0	0	0	0	0	0	0	0
8	TOTAL INVESTMENT TAX CREDIT		(526,207)	(186,498)	(12,702)	(130,877)	(134,552)	(484)	(12,545)	(4,854)	(5,775)	(33,051)	(4,870)
9	DEFERRED INCOME TAXES		0	0	0	0	0	0	0	0	0	0	0
10	ITEMS SOUTH DAKOTA FLOWS THROUGH		0	0	0	0	0	0	0	0	0	0	0
11	FEDERAL	NPMNR	0	0	0	0	0	0	0	0	0	0	0
12	MINNESOTA	NPISM	0	0	0	0	0	0	0	0	0	0	0
13	NORTH DAKOTA	NPISN	0	0	0	0	0	0	0	0	0	0	0
14	SUBTOTAL		0	0	0	0	0	0	0	0	0	0	0
15	ALL OTHER		0	0	0	0	0	0	0	0	0	0	0
16	FEDERAL - transfer from Current Income Taxes - NOL	NOL	0	0	0	0	0	0	0	0	0	0	0
17	FEDERAL (NEPIS)	NEPIS	(145,682)	(51,811)	(3,494)	(36,367)	(37,176)	(130)	(3,384)	(1,341)	(1,550)	(9,108)	(1,320)
18	FEDERAL		(145,682)	(51,811)	(3,494)	(36,367)	(37,176)	(130)	(3,384)	(1,341)	(1,550)	(9,108)	(1,320)
19	MINNESOTA - transfer from Current Income Taxes - NOL	NOL	0	0	0	0	0	0	0	0	0	0	0
20	MINNESOTA (NPISM)	NPISM	0	0	0	0	0	0	0	0	0	0	0
21	MINNESOTA		0	0	0	0	0	0	0	0	0	0	0
22	NORTH DAKOTA - transfer from Current Income Taxes - NOL	NOL	569,032	202,372	13,648	142,049	145,211	507	13,217	5,237	6,055	35,579	5,156
23	NORTH DAKOTA (NPISN)	NPISN	894,033	317,956	21,444	223,180	228,148	796	8,214	8,228	8,228	55,901	8,101
24	NORTH DAKOTA		1,463,065	520,328	35,092	365,230	373,359	1,302	33,984	13,464	15,569	91,480	13,256
25	SUBTOTAL		1,317,383	468,517	31,598	328,863	336,182	1,173	30,600	12,124	14,019	82,371	11,938
26	TOTAL DEFERRED INCOME TAXES		1,317,383	468,517	31,598	328,863	336,182	1,173	30,600	12,124	14,019	82,371	11,938
27	CURRENT INCOME TAXES		0	0	0	0	0	0	0	0	0	0	0
28	FEDERAL - transfer to Deferred Income Taxes - NOL	NOL	4,304,134	(54,546)	(31,236)	2,170,928	2,704,709	(9,820)	8,465	(15,010)	(70,097)	(439,878)	40,618
29	FEDERAL CURRENT INCOME TAX		4,304,134	(54,546)	(31,236)	2,170,928	2,704,709	(9,820)	8,465	(15,010)	(70,097)	(439,878)	40,618
30	FEDERAL INCOME TAXES		0	0	0	0	0	0	0	0	0	0	0
31	MINNESOTA - transfer to Deferred Income Taxes - NOL	NOL	0	0	0	0	0	0	0	0	0	0	0
32	MINNESOTA CURRENT INCOME TAX		0	0	0	0	0	0	0	0	0	0	0
33	MINNESOTA INCOME TAXES		0	0	0	0	0	0	0	0	0	0	0
34	NORTH DAKOTA - transfer to Deferred Income Taxes - NOL	NOL	(569,032)	1,317	3,630	(282,933)	(351,606)	1,248	(1,459)	1,781	8,836	55,519	(5,364)
35	NORTH DAKOTA CURRENT INCOME TAX		(569,032)	(1,317)	(3,630)	282,933	351,606	(1,248)	1,459	(1,781)	(8,836)	(55,519)	5,364
36	NORTH DAKOTA INCOME TAXES		0	(0)	(0)	0	0	(0)	0	(0)	(0)	(0)	0
37	TOTAL CURRENT INCOME TAXES		4,304,134	(54,546)	(31,236)	2,170,929	2,704,709	(9,820)	8,465	(15,010)	(70,097)	(439,878)	40,618
38	TOTAL INCOME TAXES		5,095,310	227,473	(12,339)	2,368,914	2,906,339	(9,132)	26,520	(7,740)	(61,854)	(390,558)	47,686
39	NET OPERATING INCOME		18,454,393	3,412,418	175,289	6,783,795	7,904,724	(10,715)	247,020	61,466	(33,919)	(256,217)	170,530
40	AFDC		0	0	0	0	0	0	0	0	0	0	0
41	AFDC - MN Only		0	0	0	0	0	0	0	0	0	0	0
42	AFDC - SD Only		0	0	0	0	0	0	0	0	0	0	0
43	Total AFDC		0	0	0	0	0	0	0	0	0	0	0
44	TOTAL AVAILABLE FOR RETURN		18,454,393	3,412,418	175,289	6,783,795	7,904,724	(10,715)	247,020	61,466	(33,919)	(256,217)	170,530
45	RATE OF RETURN ON RATE BASE		5.21%	2.71%	2.07%	7.67%	8.72%	-3.42%	3.01%	1.88%	-0.90%	-1.16%	5.31%

OTTER TAIL POWER COMPANY
 Electric Utility - State of North Dakota
 DEVELOPMENT OF GROSS REVENUE CONVERSION FACTOR

Case No. PU-17-
 Exhibit ____ (TAA-1), Schedule F-2
 Page 1 of 1

Definition: The incremental amount of gross revenue required to generate an additional dollar of operating income. Gross earnings fees included.

Line_No.	Description				% of Incremental Gross Revenues
1	Federal Income Taxes				33.49%
2	State Income Taxes				4.31%
3	Total Tax Percentage				37.80%
4	Operating Income %	=	100% - 37.80%	=	62.20%
5	Gross Revenue	=	<u>100.00%</u>	=	<u>1.607756</u>
	Conversion Factor		62.22%		