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May 24, 2018



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

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

Dear Mr. Nitschke:

Pursuant to the above-referenced order, enclosed is a worksheet, identified as Statement B. This Statement shows the total estimated impact on North Dakota of changes in depreciation rates. Page 2 of Statement B shows the estimated impact to be an increase in annual depreciation expense of \$197,060 for the North Dakota Jurisdiction.

Also included with this filing is the Minnesota Public Utilities Commission (MPUC) Order dated January 11, 2018 certifying proposed remaining lives and net salvage percentages. This Order certifies depreciation rates and methods based on Otter Tail's most recent depreciation study. A summary of key decision items is provided on the first page of the Order. The parameters are effective January 1, 2018. A copy of Otter Tail's initial Annual Review of Depreciation Certification filing (Initial Filing) submitted to the MPUC on September 1, 2017 is also enclosed in this compliance filing. Attachment 2 of this Initial Filing lists the remaining lives and net salvage, or amortization periods requested to be certified.

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

Sincerely,

Bryce C. Haugen  
Senior Rates Analyst, Regulatory Administration

jch  
Enclosures  
By electronic filing and U.S. Mail

# Estimated Impact on North Dakota

Statement B

# **2017 Technical Update**



**North Dakota  
(Statement B)**



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

Account Description	12/31/16		North Dakota		Current Annual Accrual		Updated Annual Accrual		Difference		
	Plant Investment	B	Allocation Factor	C	Total	North Dakota	Total	F	G-CF	H-F-D	North Dakota
<b>STEAM PRODUCTION</b>											
311.00 Structures and Improvements	\$ 125,448,487		0.36695197		\$ 3,123,925	\$ 1,146,331	\$ 3,156,104	\$ 1,158,139	\$ 32,179	\$ 11,808	
312.00 Boiler Plant Equipment	325,383,494		0.36695197		10,653,615	3,909,365	11,133,765	4,085,557	480,150	176,192	
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049		0.36695197		131,223	48,153	118,502	43,485	(12,721)	(4,668)	
314.00 Turbogenerator Units	65,898,799		0.36695197		1,535,867	563,589	1,598,423	586,545	62,556	22,966	
315.00 Accessory Electric Equipment	36,676,240		0.36695197		880,512	323,106	886,726	325,386	6,214	2,280	
316.00 Miscellaneous Power Plant Equipment	6,434,345		0.36695197		198,452	72,823	209,095	76,727	10,643	3,904	
<b>Total Steam Production Plant</b>	<b>\$ 566,536,414</b>				<b>\$ 16,523,594</b>	<b>\$ 6,063,367</b>	<b>\$ 17,102,615</b>	<b>\$ 6,275,839</b>	<b>\$ 579,021</b>	<b>\$ 212,472</b>	
<b>HYDRAULIC PRODUCTION</b>											
331.00 Structures and Improvements	\$ 351,712		0.36695197		\$ 21,874	\$ 8,026	\$ 22,587	\$ 8,288	\$ 713	\$ 262	
332.00 Reservoirs, Dams and Waterways	4,277,055		0.36695197		425,871	156,275	439,574	161,302	13,703	5,027	
333.00 Water Wheels, Turbines & Generators	1,373,867		0.36695197		77,680	28,505	80,177	29,420	2,497	915	
334.00 Accessory Electric Equipment	592,400		0.36695197		33,018	12,116	34,114	12,517	1,096	401	
335.00 Miscellaneous Power Plant Equipment	442,624		0.36695197		50,934	18,691	52,574	19,292	1,640	601	
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,037,658</b>				<b>\$ 609,377</b>	<b>\$ 223,613</b>	<b>\$ 629,026</b>	<b>\$ 230,819</b>	<b>\$ 19,649</b>	<b>\$ 7,206</b>	
<b>OTHER PRODUCTION</b>											
341.00 Structures and Improvements	\$ 12,946,210		0.36695197		\$ 483,121	\$ 176,582	\$ 482,527	\$ 176,365	\$ (594)	\$ (217)	
342.00 Fuel Holders and Accessories	1,748,265		0.36695197		46,108	16,920	44,991	16,510	(1,117)	(410)	
343.00 Prime Movers	32,326,159		0.36695197		763,897	280,315	810,823	297,534	46,926	17,219	
344.00 Generators	241,601,355		0.36695197		10,534,896	3,844,311	10,597,428	3,867,129	62,532	22,818	
345.00 Accessory Electric Equipment	20,551,753		0.36695197		856,085	312,497	857,519	313,024	1,434	527	
346.00 Miscellaneous Power Plant Equipment	628,270		0.36695197		22,722	8,320	22,876	8,376	154	56	
<b>Total Other Production Plant</b>	<b>\$ 309,802,012</b>				<b>\$ 12,706,829</b>	<b>\$ 4,638,945</b>	<b>\$ 12,816,164</b>	<b>\$ 4,678,938</b>	<b>\$ 109,335</b>	<b>\$ 39,993</b>	
<b>TRANSMISSION PLANT</b>											
353.00 Station Equipment	\$ 95,137,119		0.39302298		\$ 1,484,139	\$ 583,301	\$ 1,465,112	\$ 575,823	\$ (19,027)	\$ (7,478)	
354.00 Towers and Fixtures	81,106,418		0.39302298		1,273,371	500,464	1,273,371	500,464			
355.00 Poles and Fixtures	112,685,716		0.39302298		2,208,640	868,046	2,208,640	868,046			
356.00 Overhead Conductors and Devices	107,171,847		0.39302298		1,811,204	711,845	1,821,921	716,057	10,717	4,212	
358.00 Underground Conductors and Devices	77,461		0.39302298		1,053	414	992	390	(61)	(24)	
<b>Total Transmission Plant</b>	<b>\$ 396,178,561</b>				<b>\$ 6,778,407</b>	<b>\$ 2,664,070</b>	<b>\$ 6,770,036</b>	<b>\$ 2,660,780</b>	<b>\$ (8,371)</b>	<b>\$ (3,290)</b>	
<b>DISTRIBUTION PLANT</b>											
362.00 Station Equipment	\$ 78,123,696		0.46274017		\$ 1,656,222	\$ 766,400	\$ 1,648,410	\$ 762,786	\$ (7,812)	\$ (3,614)	
364.00 Poles, Towers and Fixtures	70,849,816		0.46274017		1,764,160	816,348	1,764,160	816,348			
365.00 Overhead Conductors and Devices	49,842,699		0.46274017		1,395,596	645,798	1,395,596	645,798			
367.00 Underground Conductors and Devices	74,699,089		0.46274017		1,762,899	815,764	1,770,368	819,220	7,469	3,456	
368.00 Line Transformers	93,713,427		0.46274017		1,171,418	542,062	1,171,418	542,062			

**OTTER TAIL POWER COMPANY**

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

Account Description	12/31/16 Plant Investment	North Dakota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E=C*D</b>	<b>F</b>	<b>G=C*F</b>	<b>H=F-D</b>	<b>I=G-E</b>
369.00 Overhead Services	12,990,947	0.46274017	549,517	254,284	550,816	549,517	1,299	601
369.10 Underground Services	40,988,218	0.46274017	1,069,792	495,036	1,069,792	495,036		
370.00 Meters	24,832,623	0.46274017	794,644	367,714	799,610	370,012	4,966	2,298
370.10 Load Management Switches	8,665,511	0.46274017	1,013,865	469,156	869,151	402,191	(144,714)	(66,965)
371.20 Other Private Lighting	4,786,865	0.46274017	186,688	86,388	191,475	88,603	4,787	2,215
373.00 Street Lighting and Signal Systems	5,464,004	0.46274017	186,323	86,219	190,694	88,242	4,371	2,023
<b>Total Distribution Plant</b>	<b>\$ 464,956,895</b>		<b>\$ 11,551,124</b>	<b>\$ 5,345,169</b>	<b>\$ 11,421,490</b>	<b>\$ 5,285,183</b>	<b>\$ (129,634)</b>	<b>\$ (59,986)</b>
<b>GENERAL PLANT</b>								
<b>Depreciable</b>								
390.00 Structures and Improvements	19,890,073	0.41316527	407,746	168,466	405,757	167,645	(1,989)	(821)
390.10 General Office Buildings	5,718,958	0.41316527	30,310	12,523	30,882	12,759	572	236
390.20 Fleet Service Center Building	937,678	0.41316527	13,784	5,695	13,971	5,772	187	77
390.30 Central Stores Building	4,027,548	0.41316527	(84,176)	(34,779)	(83,370)	(34,446)	806	333
396.00 Power Operated Equipment	616,048	0.41316527	16,140	6,668	18,358	7,565	2,218	917
397.40 Communication Towers	1,888,762	0.41316527	38,908	16,075	38,720	15,998	(188)	(77)
<b>Total Depreciable</b>	<b>\$ 33,079,067</b>		<b>\$ 422,712</b>	<b>\$ 174,648</b>	<b>\$ 424,318</b>	<b>\$ 175,313</b>	<b>\$ 1,606</b>	<b>\$ 665</b>
<b>Amortizable</b>								
391.00 Office Furniture	1,177,317	0.41316527	78,527	32,445	78,527	32,445		
391.10 Office Equipment	807,128	0.41316527	80,713	33,348	80,713	33,348		
391.20 Duplicating Equipment	287,696	0.41316527	28,770	11,887	28,770	11,887		
391.50 Computer Systems	2,677,295	0.41316527	535,459	221,233	535,459	221,233		
391.60 Computer Related Equipment	944,691	0.41316527	189,938	78,063	189,938	78,063		
394.00 Tools, Shop and Garage Equipment	3,996,914	0.41316527	266,594	110,147	266,594	110,147		
394.20 Automated Meter Reading Equipment	617,570	0.41316527	41,192	17,019	41,192	17,019		
397.00 Communication Equipment	18,647	0.41316527	54,604	22,560	54,604	22,560		
397.10 Radio Telecommunication Equipment	1,184,478	0.41316527	118,448	48,939	118,448	48,939		
397.20 Microwave Equipment	4,448,448	0.41316527	296,711	122,591	296,711	122,591		
397.30 Radio Load Control Equipment	317,859	0.41316527	31,786	13,133	31,786	13,133		
<b>Total Amortizable</b>	<b>\$ 17,278,043</b>		<b>\$ 1,721,742</b>	<b>\$ 711,365</b>	<b>\$ 1,721,742</b>	<b>\$ 711,365</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total General Plant</b>	<b>\$ 50,357,110</b>		<b>\$ 2,144,454</b>	<b>\$ 886,013</b>	<b>\$ 2,146,060</b>	<b>\$ 886,678</b>	<b>\$ 1,606</b>	<b>\$ 665</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,794,868,650</b>		<b>\$ 50,313,785</b>	<b>\$ 19,821,177</b>	<b>\$ 50,885,391</b>	<b>\$ 20,018,237</b>	<b>\$ 571,606</b>	<b>\$ 197,060</b>

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

Statement B

Account Description	12/31/16		North Dakota		Current Annual Accrual		Updated Annual Accrual		Difference	
	Plant Investment	Allocation Factor	Total	North Dakota	Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=D-G	I=F-H	J=G-I	K=J
<b>STEAM PRODUCTION</b>										
<b>Big Stone</b>										
311.00 Structures and Improvements	\$ 85,108,485	0.36695197	\$ 2,442,614	\$ 896,322	\$ 2,442,614	\$ 896,322	\$ -	\$ -	\$ -	\$ (6,804)
312.00 Boiler Plant Equipment	185,435,375	0.36695197	5,878,301	2,157,054	5,859,758	2,150,250				
312.10 Boiler Plant Equipment - Ash Ponds										
314.00 Turbogenerator Units	30,154,765	0.36695197	491,523	180,365	494,538	181,472				1,107
315.00 Accessory Electric Equipment	22,062,273	0.36695197	573,619	210,491	571,413	209,681				(810)
316.00 Miscellaneous Power Plant Equipment	3,188,424	0.36695197	62,493	22,932	64,725	23,751				819
<b>Total Big Stone</b>	<b>\$ 325,949,322</b>		<b>\$ 9,448,550</b>	<b>\$ 3,467,164</b>	<b>\$ 9,433,048</b>	<b>\$ 3,461,476</b>	<b>\$ (15,502)</b>	<b>\$ (15,502)</b>	<b>\$ (15,502)</b>	<b>\$ (5,688)</b>
<b>Hoot Lake Units 2 and 3</b>										
311.00 Structures and Improvements	\$ 6,084,167	0.36695197	\$ 160,622	\$ 58,941	\$ 182,525	\$ 66,978	\$ 21,903	\$ 8,037	\$ 21,903	\$ 8,037
312.00 Boiler Plant Equipment	38,115,216	0.36695197	3,033,971	1,113,322	3,186,432	1,169,267	152,461	55,945	152,461	55,945
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049	0.36695197	131,223	48,153	118,502	43,485	(12,721)	(4,668)	(12,721)	(4,668)
314.00 Turbogenerator Units	11,543,445	0.36695197	499,831	183,414	544,851	199,934	45,020	16,520	45,020	16,520
315.00 Accessory Electric Equipment	2,766,673	0.36695197	104,304	38,275	115,094	42,234	10,790	3,959	10,790	3,959
316.00 Miscellaneous Power Plant Equipment	1,157,884	0.36695197	85,220	31,272	91,125	33,438	5,905	2,166	5,905	2,166
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,362,434</b>		<b>\$ 4,015,171</b>	<b>\$ 1,473,377</b>	<b>\$ 4,238,529</b>	<b>\$ 1,555,336</b>	<b>\$ 223,358</b>	<b>\$ 81,959</b>	<b>\$ 223,358</b>	<b>\$ 81,959</b>
<b>Coyote</b>										
311.00 Structures and Improvements	\$ 34,255,835	0.36695197	\$ 520,689	\$ 191,068	\$ 530,965	\$ 194,839	\$ 10,276	\$ 3,771	\$ 10,276	\$ 3,771
312.00 Boiler Plant Equipment	101,832,903	0.36695197	1,741,343	638,989	2,087,575	766,040	346,232	127,051	346,232	127,051
312.10 Boiler Plant Equipment - Ash Ponds										
314.00 Turbogenerator Units	24,200,589	0.36695197	544,513	199,810	559,034	205,139	14,521	5,329	14,521	5,329
315.00 Accessory Electric Equipment	11,847,294	0.36695197	202,589	74,340	200,219	73,471	(2,370)	(869)	(2,370)	(869)
316.00 Miscellaneous Power Plant Equipment	2,088,037	0.36695197	50,739	18,619	53,245	19,538	2,506	919	2,506	919
<b>Total Coyote</b>	<b>\$ 174,224,658</b>		<b>\$ 3,059,873</b>	<b>\$ 1,122,826</b>	<b>\$ 3,431,038</b>	<b>\$ 1,259,027</b>	<b>\$ 371,165</b>	<b>\$ 136,201</b>	<b>\$ 371,165</b>	<b>\$ 136,201</b>
<b>HYDRAULIC PRODUCTION</b>										
<b>Hoot Lake</b>										
331.00 Structures and Improvements	\$ 69,354	0.36695197	\$ 194	\$ 71	\$ 201	\$ 74	\$ 7	\$ 3	\$ 7	\$ 3
332.00 Reservoirs, Dams and Waterways	297,674	0.36695197	7,412	2,720	7,620	2,796	208	76	208	76
333.00 Water Wheels, Turbines & Generators	104,195	0.36695197	1,761	646	1,813	665	52	19	52	19
334.00 Accessory Electric Equipment	34,651	0.36695197	804	295	832	305	28	10	28	10
335.00 Miscellaneous Power Plant Equipment	48,801	0.36695197	6,442	2,364	6,647	2,439	205	75	205	75
<b>Total Hoot Lake</b>	<b>\$ 554,675</b>		<b>\$ 16,613</b>	<b>\$ 6,096</b>	<b>\$ 17,113</b>	<b>\$ 6,279</b>	<b>\$ 500</b>	<b>\$ 183</b>	<b>\$ 500</b>	<b>\$ 183</b>
<b>Wright</b>										
331.00 Structures and Improvements	\$ 19,026	0.36695197	\$ 668	\$ 245	\$ 689	\$ 253	\$ 21	\$ 8	\$ 21	\$ 8
332.00 Reservoirs, Dams and Waterways	892,711	0.36695197	106,054	38,917	109,446	40,161	3,392	1,244	3,392	1,244
333.00 Water Wheels, Turbines & Generators	545,392	0.36695197	23,997	8,806	24,761	9,086	764	280	764	280
334.00 Accessory Electric Equipment	200,524	0.36695197	12,092	4,437	12,493	4,584	401	147	401	147
335.00 Miscellaneous Power Plant Equipment	115,218	0.36695197	11,003	4,038	11,349	4,165	346	127	346	127
<b>Total Wright</b>	<b>\$ 1,772,871</b>		<b>\$ 153,814</b>	<b>\$ 56,443</b>	<b>\$ 158,738</b>	<b>\$ 58,249</b>	<b>\$ 4,924</b>	<b>\$ 1,806</b>	<b>\$ 4,924</b>	<b>\$ 1,806</b>

**OTTER TAIL POWER COMPANY**

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

Statement B

Account Description	12/31/16 Plant Investment	North Dakota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E-G-D	F	G-C-F	H-F-D	I-H-E
<b>Pisgah</b>								
331.00 Structures and Improvements	\$ 12,118	0.36695197	\$ 339	\$ 124	\$ 350	\$ 128	\$ 11	\$ 4
332.00 Reservoirs, Dams and Waterways	376,297	0.36695197	34,130	12,524	35,221	12,924	1,091	400
333.00 Water Wheels, Turbines & Generators	159,732	0.36695197	12,459	4,572	12,858	4,718	399	146
334.00 Accessory Electric Equipment	99,812	0.36695197	6,667	2,446	6,887	2,527	220	81
335.00 Miscellaneous Power Plant Equipment	62,744	0.36695197	8,696	3,191	8,972	3,292	276	101
<b>Total Pisgah</b>	\$ 710,703		\$ 62,291	\$ 22,857	\$ 64,288	\$ 23,589	\$ 1,997	\$ 732
<b>Dayton Hollow</b>								
331.00 Structures and Improvements	\$ 16,269	0.36695197	\$ 1,995	\$ 732	\$ 2,058	\$ 755	\$ 63	\$ 23
332.00 Reservoirs, Dams and Waterways	1,291,391	0.36695197	154,709	56,771	159,745	58,619	5,036	1,848
333.00 Water Wheels, Turbines & Generators	226,751	0.36695197	17,414	6,390	17,991	6,598	567	208
334.00 Accessory Electric Equipment	193,342	0.36695197	10,344	3,796	10,692	3,923	348	127
335.00 Miscellaneous Power Plant Equipment	111,159	0.36695197	14,195	5,209	14,662	5,380	467	171
<b>Total Dayton Hollow</b>	\$ 1,838,912		\$ 198,657	\$ 72,898	\$ 205,138	\$ 75,275	\$ 6,481	\$ 2,377
<b>Taplin Gorge</b>								
331.00 Structures and Improvements	\$ 35,140	0.36695197	\$ 376	\$ 138	\$ 387	\$ 142	\$ 11	\$ 4
332.00 Reservoirs, Dams and Waterways	602,762	0.36695197	43,821	16,080	45,267	16,611	1,446	531
333.00 Water Wheels, Turbines & Generators	15,110	0.36695197	139	51	144	53	5	2
334.00 Accessory Electric Equipment	58,695	0.36695197	2,747	1,008	2,835	1,040	88	32
335.00 Miscellaneous Power Plant Equipment	103,632	0.36695197	10,477	3,845	10,819	3,970	342	125
<b>Total Taplin Gorge</b>	\$ 815,339		\$ 57,560	\$ 21,122	\$ 59,452	\$ 21,816	\$ 1,892	\$ 694
<b>Bemidji</b>								
331.00 Structures and Improvements	\$ 199,805	0.36695197	\$ 18,302	\$ 6,716	\$ 18,902	\$ 6,936	\$ 600	\$ 220
332.00 Reservoirs, Dams and Waterways	816,220	0.36695197	79,745	29,263	82,275	30,191	2,530	928
333.00 Water Wheels, Turbines & Generators	322,667	0.36695197	21,910	8,040	22,620	8,300	710	260
334.00 Accessory Electric Equipment	5,376	0.36695197	364	134	375	138	11	4
335.00 Miscellaneous Power Plant Equipment	1,070	0.36695197	121	44	125	46	4	2
<b>Total Bemidji</b>	\$ 1,345,158		\$ 120,442	\$ 44,197	\$ 124,297	\$ 45,611	\$ 3,855	\$ 1,414
<b>OTHER PRODUCTION</b>								
<b>Jamestown</b>								
341.00 Structures and Improvements	\$ 305,657	0.36695197	\$ 5,402	\$ 1,982	\$ 5,015	\$ 1,841	\$ (387)	\$ (141)
342.00 Fuel Holders and Accessories	415,964	0.36695197	11,575	4,248	10,787	3,959	(788)	(289)
343.00 Prime Movers	6,952,527	0.36695197	68,670	25,199	98,674	36,209	30,004	11,010
344.00 Generators								
345.00 Accessory Electric Equipment	227,590	0.36695197	5,586	2,050	5,214	1,913	(372)	(137)
346.00 Miscellaneous Power Plant Equipment	88,665	0.36695197	3,101	1,138	2,890	1,060	(211)	(78)
<b>Total Jamestown</b>	\$ 7,990,403		\$ 94,334	\$ 34,617	\$ 122,580	\$ 44,982	\$ 28,246	\$ 10,365

**OTTER TAIL POWER COMPANY**

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

Account Description	12/31/16		North Dakota		Current Annual Accrual		Updated Annual Accrual		Difference	
	Investment	Plant	Allocation	Factor	E=C*D		F		H=I-D	
					Total	North Dakota	Total	North Dakota	Total	North Dakota
<b>Jamestown Unit 1</b>										
341.00 Structures and Improvements	\$ 280,804		0.36695197		\$ 4,661	\$ 1,710	\$ 4,324	\$ 1,587	\$ (337)	\$ (123)
342.00 Fuel Holders and Accessories	379,195		0.36695197		11,148	4,091	10,390	3,813	(758)	(278)
343.00 Prime Movers	3,030,866		0.36695197		34,552	12,679	51,222	18,796	16,670	6,117
344.00 Generators										
345.00 Accessory Electric Equipment	155,272		0.36695197		2,484	912	2,314	849	(170)	(63)
346.00 Miscellaneous Power Plant Equipment	85,462		0.36695197		3,111	1,142	2,906	1,066	(205)	(76)
<b>Total Jamestown Unit 1</b>	<b>\$ 3,931,599</b>				<b>\$ 55,956</b>	<b>\$ 20,534</b>	<b>\$ 71,156</b>	<b>\$ 26,111</b>	<b>\$ 15,200</b>	<b>\$ 5,577</b>
<b>Jamestown Unit 2</b>										
341.00 Structures and Improvements	\$ 24,853		0.36695197		\$ 741	\$ 272	\$ 691	\$ 254	\$ (50)	\$ (18)
342.00 Fuel Holders and Accessories	36,769		0.36695197		427	157	397	146	(30)	(11)
343.00 Prime Movers	3,921,661		0.36695197		34,118	12,520	47,452	17,413	13,334	4,893
344.00 Generators										
345.00 Accessory Electric Equipment	72,318		0.36695197		3,102	1,138	2,900	1,064	(202)	(74)
346.00 Miscellaneous Power Plant Equipment	3,203		0.36695197		(10)	(4)	(16)	(6)	(6)	(2)
<b>Total Jamestown Unit 2</b>	<b>\$ 4,058,804</b>				<b>\$ 38,378</b>	<b>\$ 14,083</b>	<b>\$ 51,424</b>	<b>\$ 18,871</b>	<b>\$ 13,046</b>	<b>\$ 4,788</b>
<b>Lake Preston</b>										
341.00 Structures and Improvements	\$ 229,834		0.36695197		\$ 3,126	\$ 1,147	\$ 2,919	\$ 1,071	\$ (207)	\$ (76)
342.00 Fuel Holders and Accessories	328,705		0.36695197		5,128	1,882	4,799	1,761	(329)	(121)
343.00 Prime Movers	3,282,642		0.36695197		27,902	10,239	42,674	15,659	14,772	5,420
344.00 Generators										
345.00 Accessory Electric Equipment	400,094		0.36695197		2,961	1,087	5,401	1,982	2,440	895
346.00 Miscellaneous Power Plant Equipment	21,607		0.36695197		162	59	149	55	(13)	(4)
<b>Total Lake Preston</b>	<b>\$ 4,262,882</b>				<b>\$ 39,279</b>	<b>\$ 14,414</b>	<b>\$ 55,942</b>	<b>\$ 20,528</b>	<b>\$ 16,863</b>	<b>\$ 6,114</b>
<b>Ashtabula Wind Generation</b>										
341.00 Structures and Improvements	\$ 3,248,290		0.36491203		\$ 139,027	\$ 50,733	\$ 139,027	\$ 50,733	\$ -	\$ -
342.00 Fuel Holders and Accessories										
343.00 Prime Movers	106,668,515		0.36491203		4,650,747	1,697,114	4,672,081	1,704,899	21,334	7,785
344.00 Generators										
345.00 Accessory Electric Equipment	6,347,379		0.36491203		272,937	99,598	272,303	99,367	(634)	(231)
346.00 Miscellaneous Power Plant Equipment	28,417		0.36491203		1,455	531	1,455	531	-	-
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,292,601</b>				<b>\$ 5,064,166</b>	<b>\$ 1,847,976</b>	<b>\$ 5,084,866</b>	<b>\$ 1,855,530</b>	<b>\$ 20,700</b>	<b>\$ 7,554</b>
<b>Langdon Wind Generation</b>										
341.00 Structures and Improvements	\$ 2,464,069		0.36491203		\$ 107,312	\$ 39,159	\$ 107,312	\$ 39,159	\$ -	\$ -
342.00 Fuel Holders and Accessories										
343.00 Prime Movers	69,262,415		0.36491203		3,040,620	1,109,559	3,075,251	1,122,196	34,631	12,637
344.00 Generators										
345.00 Accessory Electric Equipment	7,407,275		0.36491203		325,920	118,932	325,920	118,932	-	-
346.00 Miscellaneous Power Plant Equipment	65,210		0.36491203		3,502	1,278	3,495	1,275	(7)	(3)
<b>Total Langdon Wind Generation</b>	<b>\$ 79,218,969</b>				<b>\$ 3,477,354</b>	<b>\$ 1,268,928</b>	<b>\$ 3,511,978</b>	<b>\$ 1,281,562</b>	<b>\$ 34,624</b>	<b>\$ 12,634</b>

**OTTER TAIL POWER COMPANY**

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

Statement B

Account Description	12/31/16 Plant Investment	North Dakota Allocation Factor	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total	North Dakota	Total	North Dakota	Total	North Dakota
A	B	C	D	E=C*D	F	G=C*F	H=F-D	I=H-E
<b>Luverne Wind Generation</b>								
341.00 Structures and Improvements	\$ 2,266,581	0.36491203	\$ 96,783	\$ 35,317	\$ 96,783	\$ 35,317	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	65,670,425	0.36491203	2,843,529	1,037,638	2,850,096	1,040,034	6,567	2,396
344.00 Generators	4,863,837	0.36491203	207,686	75,787	207,686	75,787		
345.00 Accessory Electric Equipment	74,045	0.36491203	3,747	1,367	3,747	1,367		
346.00 Miscellaneous Power Plant Equipment	72,874,888	0.36491203	3,151,745	1,150,109	3,158,312	1,152,505	6,567	2,396
<b>Total Luverne Wind Generation</b>								
<b>Solway Combustion Turbine</b>								
341.00 Structures and Improvements	\$ 4,411,779	0.36695197	\$ 131,471	\$ 48,244	\$ 131,471	\$ 48,244	\$ -	\$ -
342.00 Fuel Holders and Accessories	1,003,596	0.36695197	29,405	10,790	29,405	10,790		
343.00 Prime Movers	21,499,352	0.36695197	649,280	238,255	651,430	239,044	2,150	789
344.00 Generators								
345.00 Accessory Electric Equipment	1,305,578	0.36695197	40,995	15,043	40,995	15,043		
346.00 Miscellaneous Power Plant Equipment	350,326	0.36695197	10,755	3,947	11,140	4,088	385	141
<b>Total Solway Combustion Turbine</b>	\$ 28,570,631		\$ 861,906	\$ 316,279	\$ 864,441	\$ 317,209	\$ 2,535	\$ 930
<b>Fergus Falls Control Center</b>								
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	591,638	0.36695197	18,045	6,622	18,045	6,622		
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
<b>Total Fergus Falls Control Center</b>	\$ 591,638		\$ 18,045	\$ 6,622	\$ 18,045	\$ 6,622	\$ -	\$ -

Minnesota Public Utilities  
Commission Order  
Dated January 11, 2018

Docket No. E017/D-17-652

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

Loyal K. Demmer, CMA  
Senior Depreciation Accountant  
Otter Tail Power Company  
215 South Cascade Street  
PO Box 496  
Fergus Falls, MN 56538-0496

SERVICE DATE: January 11, 2018

DOCKET NO. E-017/D-17-652

In the Matter of Otter Tail Power Company's (OTP's) Petition for Approval of Its 2017 Annual Review of Depreciation Certification.

The above-entitled matter was considered by the Commission on January 4, 2018, and the following disposition made:

- 1. Approved OTP's proposed service lives, proposed salvage values, and proposed depreciation rates for all facilities;**
- 2. Approved OTP's proposed effective date of January 1, 2018;**
- 3. Required OTP to include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences; and**
- 4. Required OTP to file a five-year depreciation study by September 1, 2018.**

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the order. This order shall become effective immediately.



BY ORDER OF THE COMMISSION

Daniel P. Wolf  
Executive Secretary

This document can be made available in alternative formats (e.g., large print or audio) by calling 651.296.0406 (voice). Persons with hearing loss or speech disabilities may call us through their preferred Telecommunications Relay Service or email [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us) for assistance.

September 28, 2017

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E017/D-17-652

Dear Mr. Wolf:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

    Otter Tail Power Company's (OTP's) 2017 Annual Review of Depreciation Certification.

The petition was filed on September 1, 2017 by:

    Loyal K. Demmer, CMA  
    Senior Depreciation Accountant  
    Otter Tail Power Company  
    215 South Cascade Street  
    PO Box 496  
    Fergus Falls, MN 56538-0496

The Department recommends **approval** and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ ANGELA BYRNE  
Financial Analyst

AB/ja  
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce  
Division of Energy Resources

Docket No. E017/D-17-652

**I. SUMMARY OF FILING**

On September 1, 2017, Otter Tail Power Company (OTP or the Company) filed its *2017 Annual Review of Depreciation Certification* in Docket No. E017/D-17-652 (Petition). OTP is requesting approval of changes to the lives and salvage rates of a number of property accounts based on OTP’s plant and reserve balances as of December 31, 2016.

Based on the Company’s proposed changes, the updated composite depreciation accrual rate is 2.84 percent, compared the current composite depreciation accrual rate of 2.80 percent, or a 0.04 percentage point increase to the composite depreciation accrual rate. The net effect of the proposed changes is an increase in annual depreciation expense of \$571,606 (Total Company) as summarized in Table 1 below. The increase in annual depreciation is \$321,163 for the Minnesota Jurisdiction. OTP explained that “[t]he increase [in annual depreciation expense] of \$571,606 (Total Company) is largely attributable to changes in the mix of plant investments among primary accounts and changes in the age of distributions of surviving plant.”<sup>1</sup>

**Table 1:  
Summary of Proposed Depreciation Rates and Resulting Accruals**

Function	Accrual Rate			Annual Accrual		
	Current	Proposed	Difference	Current	Proposed	Difference
[A]	[B]	[C]	[D] = [C] - [B]	[E]	[F]	[G] = [F] - [E]
Production						
Steam	2.92%	3.02%	0.10%	\$ 16,523,594	\$ 17,102,615	\$ 579,021
Hydraulic	8.66%	8.94%	0.28%	\$ 609,377	\$ 629,026	\$ 19,649
Other	4.10%	4.14%	0.04%	\$ 12,706,829	\$ 12,816,164	\$ 109,335
Transmission	1.71%	1.71%	0.00%	\$ 6,778,407	\$ 6,770,036	\$ (8,371)
Distribution	2.48%	2.46%	-0.02%	\$ 11,551,124	\$ 11,421,490	\$ (129,634)
General Plant	4.26%	4.26%	0.00%	\$ 2,144,454	\$ 2,146,060	\$ 1,606
Total Utility	2.80%	2.84%	0.04%	\$ 50,313,785	\$ 50,885,391	\$ 571,606

Source: Petition, Attachment 1, Page 4.

<sup>1</sup> Petition Attachment 1, page 4.

The Company requested an effective date of January 1, 2018 for its proposed depreciation changes to lives and salvage rates.

## **II. DEPARTMENT ANALYSIS**

The Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) examined OTP's petition for compliance with filing requirements and previous Minnesota Public Utilities Commission (Commission) Orders, and for the reasonableness of the proposed remaining lives, salvage rates, and depreciation accruals.

### **A. DEPRECIATION RULES**

Minnesota Statutes Section 216B.11 and Minnesota Rules, parts 7825.0500-7825.0900 require public utilities to seek Commission approval of their depreciation practices. Utilities must also file depreciation studies at least once every five years and must use straight-line depreciation unless the utility can justify a different method. When utilities use the average service life technique to depreciate group property accounts, life and salvage factors, as well as the resulting depreciation rates, remain unchanged between studies. When companies choose the remaining-life technique for depreciating group property accounts, the underlying life and salvage factors may not change, but depreciation rates are adjusted annually to reflect the passage of time on remaining lives, as well as the impact of plant additions and retirements. Annual depreciation study updates are required when the remaining-life technique is employed to allow the Commission the opportunity to approve changes in depreciation rates.

With the exception of certain selected General Plant accounts and one Distribution Plant account for which the Company uses amortization accounting, OTP uses a remaining-life accounting method and, as a result, must file annual depreciation study updates.

### **B. REASONABLENESS OF PROPOSED DEPRECIATION PARAMETERS**

#### **1. Production Plant (Steam, Hydraulic, Other)**

##### **a) Remaining Lives**

As shown in Attachment 1, Pages 36-40 (Statement F) of the Petition, OTP proposed to reduce the remaining lives for all of its production plant accounts by approximately one year to account for the passage of time. The Department concludes that these reductions are reasonable.

*b) Salvage Rates*

As shown in Attachment 1, Pages 7-8 of 46 (Statement A) of the Petition, OTP proposed only minimal or no changes to the salvage rates of its production plants. The Department concludes that the proposed salvage rates for all production facilities are reasonable.

*2. Transmission, Distribution, and General Plant*

*a. Remaining Lives*

As shown in Attachment 1, Pages 34-40 (Statement F) of the Petition, OTP proposed only minor changes to the remaining lives of its transmission, distribution, and general plant (TD&G) accounts. Based on our review, Department concludes that the proposed changes to the remaining lives to these accounts are reasonable.

*b. Salvage Rates*

As shown in Attachment 1, Pages 7-11 (Statement A) of the Petition, OTP proposed no significant changes to its currently approved TD&G salvage rates. The Department concludes that the proposed salvage rates are reasonable.

*C. PLANT BALANCES, ADDITIONS, AND RETIREMENTS*

Table 2 shows the changes to OTP’s plant balances during 2016. The net effect of additions and retirements during the year is an increase in total plant of approximately \$38 million, the majority of which was concentrated in the Company’s steam production, transmission, and distribution plant accounts.

**Table 2:  
 Changes in Primary Plant Balance Accounts**

Primary Plant Assets	Balance 12/31/2015	Additions	Retirements	Transfers	Balance 12/31/2016
Steam Production	554,770,006	16,271,078	4,504,671	-	566,536,413
Hydraulic Production	7,037,658	-	-	-	7,037,658
Other Production	309,256,880	1,906,692	1,361,559	-	309,802,013
Transmission Plant	380,864,490	15,780,989	451,960	(14,959)	396,178,560
Distribution Plant	450,554,709	17,083,304	2,687,775	6,652	464,956,890
General Plant	53,957,915	1,036,135	4,636,941	-	50,357,109
Totals	1,756,441,658	52,078,198	13,642,906	(8,307)	1,794,868,643

Source: 2017 Depreciation Study, Statement G.

*D. FUTURE ADDITIONS AND RETIREMENTS*

Minnesota Rules 7825.0700, subpart 2, B. states that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results.

In Attachment No. 3 of its Petition, OTP stated that it is “unaware of any major future additions that will materially affect this filing’s certification results.”

Regarding future retirements, OTP stated that it is “unaware of any major future retirements that would materially affect the current certification results.”

Regarding future additions, OTP stated that:<sup>2</sup>

Otter Tail is actively participating in the development and construction of two new 345 kV transmission projects and corresponding substation upgrades in the Big Stone area. We are working closely with MISO and area utilities on these projects, which are part of MISO’s Multi-Value Project (“MVP”) portfolio. The two 345 kV projects are under construction; Big Stone South – Brookings and Big Stone South – Ellendale. These projects are eligible for regional cost sharing under MISO’s FERC-approved MVP cost allocation methodology. These projects are in the construction phase and are expected to go into service in phases from late in 2017 through the early 2019 timeframe at an estimated cost of \$200M OTP share.

Beginning on page 3 of its Petition, OTP stated that the Commission’s March 26, 2009 Order in Docket No. E017/RP-05-968 requires that, “In its first depreciation filing that includes new peaking generators, Otter Tail shall compare the last rate case’s short-term peaking capacity costs to the peaking capacity costs of the new generators.” In addition, OTP stated that “This filing does not include any new peaking generators so there is no cost information to report with this filing.”

Based on the above, the Department concludes that OTP has complied with Minnesota Rule 7825.0700, subpart 2, B. and the Commission’s Order in Docket No. E017/RP-05-968.

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<sup>2</sup> Petition Attachment No. 3.

*E. OTP'S REMAINING LIFE POLICY*

OTP's Remaining Life Policy maintains a ten-year minimum remaining life for generating assets (unless a retirement date has been set), and a five-year window between the retirement dates of baseload plants.

In the Company's previous depreciation filings, the Commission approved continuous one-year life extensions for OTP's Jamestown and Lake Preston peaking facilities. The Department expressed concerns with OTP's Remaining Life Policy and its possible impacts on its Jamestown and Lake Preston peaking facilities. However, OTP did not propose any life extensions for its Jamestown and Lake Preston peaking facilities in the Company's 2014 and 2015 depreciation filings.

In OTP's 2016 depreciation filing,<sup>3</sup> the Department recommended that the Company extend the remaining lives of the Jamestown and Lake Preston peaking facilities by ten years, as reflected in OTP's most recent Integrated Resource Plan (IRP), to incorporate the completion of Control System upgrades at both plants. Since OTP completed the upgrades in the fourth quarter of 2016, the Company agreed to extend the lives by ten years at that time. As a result, the DOC concludes that OTP's Remaining Life Policy does not have a significant impact in this proceeding.

While the Department still has concerns with OTP's Remaining Life Policy, the Department does not recommend that the Commission take any specific action related to this policy at this time. The Department will continue to monitor the effects the Remaining Life Policy has on OTP's depreciation expense in light of decisions made through the Commission's IRP process.

*F. COMPARISON OF RESOURCE PLAN AND REMAINING LIVES*

The Commission's Order in Docket No. E017/D-16-729 (the 2016 Depreciation Docket) required OTP to include in future depreciation filings a table comparing asset lives used for the purposes of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences. Attachment No. 4 to OTP's Petition includes the required table.

The Company notes in Attachment No. 4 that the remaining lives calculated for depreciation purposes are intended to be exact and are based on information known at a given point in time. In contrast, the remaining lives for resource planning purposes are less exact and subject to change in the long-term. For example, when the horizon of the resource plan does not extend

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<sup>3</sup> Docket No. E017/D-16-729.

to the anticipated retirement dates of certain facilities, no retirement dates for these facilities are discussed in the resource plan.

As shown in the Company's Attachment No. 4, OTP's remaining lives for resource planning purposes closely match its remaining lives for depreciation purposes for all of its facilities.

The DOC concludes that it is useful to reconcile the remaining lives for resource planning purposes and the remaining lives for depreciation purposes to obtain a better understanding of future plans by the Company to maintaining production facilities. Such comparison is one of the many tools to use to help ensure that rates are reasonable and service is reliable. Thus, the DOC supports continuation of the requirement for OTP to reconcile the two forecasts in the future and recommends that the Commission require Otter Tail to include a table comparing the resource planning lives and the remaining lives for purposes of depreciation and fully explain any differences.

#### *G. EFFECTIVE DATE OF PROPOSED DEPRECIATION PARAMETERS AND RATES*

As noted above, OTP requested that the depreciation parameters and rates proposed in its petition, upon certification by the Commission, become effective January 1, 2018. The proposed effective date is consistent with the Commission's Orders in OTP's previous depreciation dockets, and the Department concludes that it is reasonable.

### **III. SUMMARY AND RECOMMENDATIONS**

Based on our review of OTP's 2017 Depreciation Petition, the Department recommends that the Commission:

- approve OTP's proposed service lives, proposed salvage values, and proposed depreciation rates for all facilities;
- approve OTP's proposed effective date of January 1, 2018;
- require OTP to include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences; and
- require OTP to file a five-year depreciation study by September 1, 2018.

/ja

Otter Tail Power Company's  
2017 Minnesota Annual Review of  
Depreciation Certification Filing

Minnesota Docket No. E017/D-17-652

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



September 1, 2017

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

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its  
2017 Annual Review of Depreciation Certification  
Docket No. E017/D-17-**

Dear Mr. Wolf:

Otter Tail Power Company (Otter Tail) hereby submits its 2017 Annual Review of Depreciation Certification.

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

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

Sincerely,

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

jch  
Enclosures  
By electronic filing  
c: Service List

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

In the Matter of Otter Tail Power  
Company's Petition for Approval of its  
2017 Annual Review of Depreciation  
Certification

Docket No. E017/D-17-

**SUMMARY OF FILING**

Please take notice that on September 1, 2017, Otter Tail Power Company filed its 2017 Annual Review of Depreciation Certification with the Minnesota Public Utilities Commission. The study is being filed under Minn. R. 7825.0700.

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

In the Matter of Otter Tail Power  
Company's Petition for Approval of its 2017  
Annual Review of Depreciation  
Certification

Docket No. E017/D-17-

**PETITION OF OTTER TAIL POWER COMPANY**

**I. INTRODUCTION**

Pursuant to Minn. R. 7825.0700, Otter Tail Power Company (Otter Tail or the Company) hereby files its 2017 Annual Petition for Depreciation Certification. Otter Tail requests that the study be certified effective January 1, 2018.

**II. GENERAL FILING INFORMATION**

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

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

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

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

Cary Stephenson  
Associate General Counsel  
Otter Tail Power Company  
215 South Cascade Street  
P. O. Box 496  
Fergus Falls, MN 56538-0496  
(218) 739-8956  
cstephenson@otpc.com

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

The filing date is September 1, 2017, and Otter Tail requests approval as of January 1, 2018.

**D. Controlling Law for the Filing**

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

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

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

**III. DESCRIPTION OF FILING**

This filing constitutes Otter Tail’s 2017 Annual Petition for Depreciation Certification. Otter Tail’s last five-year comprehensive depreciation study was filed in 2013 and approved by the Minnesota Public Utilities Commission (Commission) on April 7, 2014, in Docket No. E017/D-13-795. Otter Tail’s next five-year comprehensive depreciation study is due September 1, 2018. Annual depreciation certification filings are to be filed on or before September 1 of each year in the four interim years between the five-year comprehensive depreciation studies.

This petition contains four attachments:

1. 2017 Depreciation Rate Study prepared by Foster Associates Consultants, LLC, Attachment No. 1;
2. Proposed Remaining Lives and Salvage Percentages for Use in 2018, Attachment No. 2;
3. Supplemental Comments, Attachment No. 3;

4. Schedule and Narrative of Comparison with the Company's most recent Commission approved Resource Plan that was filed in Docket No. E017/RP-16-386, Attachment No. 4

Attachment No. 1 contains Statement B, which is a Comparison of Current and Proposed Accruals showing depreciation expense for both total Company and the portion allocated to the Minnesota jurisdiction based on plant in-service balances as of December 31, 2016. Other statements in Attachment No. 1 provide the rest of the schedules required in an annual review of depreciation.

Attachment No. 2 lists the property accounts for which the Company requests certification of the remaining lives and salvage percentages to be used in determining 2018 depreciation rates.

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

Attachment No. 4 provides a schedule and narrative explaining differences between the remaining lives used in this Petition and the Company's most recent Commission approved Integrated Resource Plan that was filed on June 1, 2016.

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

##### **A. Peaking Capacity Cost Information**

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

V. **MISCELLANEOUS INFORMATION**

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

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

and

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

B. **Service on Other Parties**

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

C. **Summary of Filing**

A one-paragraph summary of the Petition is attached.

**VI. CONCLUSION**

Otter Tail respectfully requests that the Commission approve this annual petition for depreciation certification, to be effective January 1, 2018.

Dated: September 1, 2017

Respectfully submitted,

**OTTER TAIL POWER COMPANY**

*/s/ LOYAL K. DEMMER*

---

Loyal K. Demmer, CMA  
Senior Depreciation Accountant  
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# 2017 Technical Update



# CONTENTS

## EXECUTIVE SUMMARY

INTRODUCTION .....	1
SCOPE OF UPDATE .....	1
UPDATED DEPRECIATION RATES .....	2

## STATEMENTS

INTRODUCTION .....	3
STATEMENT A – REMAINING-LIFE ACCRUAL RATES .....	5
STATEMENT B – REMAINING-LIFE ACCRUALS .....	10
STATEMENT C – DEPRECIATION RESERVE SUMMARY .....	16
STATEMENT D – AVERAGE NET SALVAGE .....	23
STATEMENT E – FUTURE NET SALVAGE .....	29
STATEMENT F – CURRENT AND UPDATED PARAMETERS AND STATISTICS .....	32
STATEMENT G – PLANT ACTIVITY .....	39
STATEMENT H – ANALYSIS OF DEPRECIATION RESERVE .....	41
STATEMENT I – SUMMARY OF DEPRECIATION ACCRUALS .....	43

*August 2017*

## EXECUTIVE SUMMARY

### INTRODUCTION

This report presents the findings and recommendations developed in a 2017 Technical Update of depreciation rates for Otter Tail Power Company prepared by Foster Associates Consultants, LLC. The parameters (*i.e.*, projection curves, projection lives and future net salvage rates) used in the update were developed in the Company's 2013 Depreciation Study based on December 31, 2012 plant and reserve balances. Age distributions of surviving plant on December 31, 2016 were used in the 2017 update to derive composite service life statistics and theoretical depreciation reserves.

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

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

### SCOPE OF UPDATE

The principal activities undertaken in the course of conducting the 2017 Technical Update included:

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

Accrual rates currently used by the Company were developed from parameters approved in Docket No. E-017/D-16-729 (Order Dated May 5, 2017, Erratum Notice dated July 7, 2017). Depreciation accruals and reserve activity recorded in 2016 were posted to December 31, 2015 reserves to obtain appropri-

ate reserve ratios for the 2017 Technical Update.

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

### UPDATED DEPRECIATION RATES

Table 1 provides a summary of the changes in annual rates and accruals resulting from the 2017 Technical Update. Rates updated for each primary account (with the exception of amortization accounts) have been developed including authorized allowances for net salvage.

Function A	Accrual Rate			2017 Annualized Accrual		
	Current B	Updated C	Difference D=C-B	Current E	Updated F	Difference G=F-E
Production						
Steam	2.92%	3.02%	0.10%	\$ 16,523,594	\$ 17,102,615	\$ 579,021
Hydraulic	8.66%	8.94%	0.28%	609,377	629,026	19,649
Other	4.10%	4.14%	0.04%	12,706,829	12,816,164	109,335
Transmission	1.71%	1.71%	0.00%	6,778,407	6,770,036	(8,371)
Distribution	2.48%	2.46%	-0.02%	11,551,124	11,421,490	(129,634)
General Plant	4.26%	4.26%	0.00%	2,144,454	2,146,060	1,606
Total Utility	2.80%	2.84%	0.04%	\$ 50,313,785	\$ 50,885,391	\$ 571,606

**Table 1. Current and Updated Rates and Accruals**

Adjustments developed in the technical update produce a composite depreciation rate of 2.84 percent. Depreciation expense is currently accrued at an equivalent rate of 2.80 percent. The updated change in the composite depreciation rate is, therefore, an increase of 0.04 percentage points.

A continued application of rates derived from currently approved parameters would produce annual depreciation expense of \$50,313,785 compared with an annual expense of \$50,885,391 using the rates developed in the update. The increase of \$571,606 is largely attributable to changes in the mix of plant investments among primary accounts and changes in the age distributions of surviving plant. (The change in accruals would be a reduction of \$397,736 if the Otter Tail was permitted to rebalance depreciation reserves). The portion of the \$571,606 increase allocated to the Minnesota jurisdiction is \$321,163.

## STATEMENTS

### INTRODUCTION

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

- Statement A provides a comparative summary of current and updated annual depreciation rates for calendar year 2017 using the straight-line method, vintage group procedure, remaining-life technique.
- Statement B provides a comparison of the current and updated annualized depreciation accruals for calendar year 2017 based upon the rates developed in Statement A.
- Statement C provides a comparison of recorded and computed reserves for each rate category.
- Statement D provides a summary of the components used to obtain a weighted average net salvage rate for each rate category.
- Statement E provides a computation of the estimated future net salvage rate for life-span categories.
- Statement F provides a comparative summary of current and updated parameters including projection life, projection curve and future net salvage rates. The statement also contains current and updated statistics including average service life, average remaining life, and average net salvage rates.

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

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

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

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

While the Agency rules do not require submission of continuity schedules in a technical update, this section includes the following statements which set forth the above information for calendar year 2016:

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

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

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b>STEAM PRODUCTION</b>							
311.00 Structures and Improvements	27.20	-7.0%	2.49%	26.24	-6.9%	41.04%	2.52%
312.00 Boiler Plant Equipment	22.18	-7.5%	3.27%	21.38	-7.5%	36.79%	3.42%
312.10 Boiler Plant Equipment - Ash Ponds	33.91		1.96%	32.99		41.50%	1.77%
314.00 Turbogenerator Units	21.20	-8.0%	2.33%	20.34	-8.0%	63.02%	2.43%
315.00 Accessory Electric Equipment	25.49	-7.3%	2.40%	24.57	-7.2%	48.56%	2.42%
316.00 Miscellaneous Power Plant Equipment	18.80	-7.6%	3.08%	18.16	-7.7%	53.22%	3.25%
<b>Total Steam Production Plant</b>			2.92%	22.48	-7.3%	41.79%	3.02%
<b>HYDRAULIC PRODUCTION</b>							
331.00 Structures and Improvements	5.46		6.22%	4.47		71.30%	6.42%
332.00 Reservoirs, Dams and Waterways	5.46		9.96%	4.47		54.06%	10.28%
333.00 Water Wheels, Turbines & Generators	5.46		5.65%	4.47		73.92%	5.83%
334.00 Accessory Electric Equipment	5.46		5.57%	4.47		74.28%	5.75%
335.00 Miscellaneous Power Plant Equipment	5.46		11.51%	4.47		46.91%	11.88%
<b>Total Hydraulic Production Plant</b>			8.66%	4.47		60.05%	8.94%
<b>OTHER PRODUCTION</b>							
341.00 Structures and Improvements	18.42	-1.1%	3.73%	17.46	-1.1%	36.24%	3.73%
342.00 Fuel Holders and Accessories	19.80	-1.2%	2.64%	18.85	-1.1%	51.56%	2.57%
343.00 Prime Movers	20.56	-0.9%	2.36%	19.47	-0.9%	51.03%	2.51%
344.00 Generators	17.09	-1.5%	4.36%	16.13	-1.5%	30.72%	4.39%
345.00 Accessory Electric Equipment	17.21	-1.4%	4.17%	16.25	-1.4%	33.63%	4.17%
346.00 Miscellaneous Power Plant Equipment	19.22	-1.0%	3.62%	18.40	-1.0%	33.69%	3.64%
<b>Total Other Production Plant</b>			4.10%	16.46	-1.4%	33.38%	4.14%
<b>TRANSMISSION PLANT</b>							
353.00 Station Equipment	53.06	-5.0%	1.56%	53.63	-5.0%	22.21%	1.54%
354.00 Towers and Fixtures	66.45	-10.0%	1.57%	65.34	-10.0%	7.42%	1.57%
355.00 Poles and Fixtures	54.30	-50.0%	1.96%	54.21	-50.0%	43.71%	1.96%
356.00 Overhead Conductors and Devices	55.22	-30.0%	1.69%	55.11	-30.0%	36.19%	1.70%
358.00 Underground Conductors and Devices	9.36	-5.0%	1.36%	8.92	-5.0%	93.54%	1.28%
<b>Total Transmission Plant</b>			1.71%	56.53	-25.6%	29.10%	1.71%
<b>DISTRIBUTION PLANT</b>							
362.00 Station Equipment	32.11	5.0%	2.12%	32.00	5.0%	27.42%	2.11%
364.00 Poles, Towers and Fixtures	47.61	-75.0%	2.49%	47.20	-75.0%	57.40%	2.49%
365.00 Overhead Conductors and Devices	43.53	-100.0%	2.80%	43.09	-100.0%	79.39%	2.80%
367.00 Underground Conductors and Devices	24.39	-5.0%	2.36%	24.22	-5.0%	47.60%	2.37%
368.00 Line Transformers	28.21	50.0%	1.25%	28.05	50.0%	14.88%	1.25%
369.00 Overhead Services	32.19	-150.0%	4.23%	31.60	-150.0%	115.94%	4.24%
369.10 Underground Services	29.99	-20.0%	2.61%	29.63	-20.0%	42.69%	2.61%
370.00 Meters	20.69		3.20%	20.73		33.20%	3.22%
370.10 Load Management Switches	2.12		11.70%	1.59		84.05%	10.03%
371.20 Other Private Lighting	16.83	10.0%	3.90%	17.03	10.0%	21.87%	4.00%
373.00 Street Lighting and Signal Systems	15.03	-5.0%	3.41%	15.13	-5.0%	52.21%	3.49%
<b>Total Distribution Plant</b>			2.48%	28.45	-17.9%	43.69%	2.46%

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b>GENERAL PLANT</b>							
<b>Depreciable</b>							
390.00 Structures and Improvements	30.54	10.0%	2.05%	30.07	10.0%	28.57%	2.04%
390.10 General Office Buildings	14.22	49.6%	0.53%	13.26	49.6%	43.26%	0.54%
390.20 Fleet Service Center Building	9.38	33.6%	1.47%	8.41	33.6%	53.91%	1.49%
390.30 Central Stores Building	18.98	92.6%	-2.09%	18.03	92.6%	44.66%	-2.07%
396.00 Power Operated Equipment	16.89	20.0%	2.62%	17.81	20.0%	26.99%	2.98%
397.40 Communication Towers	24.13	5.0%	2.06%	23.32	5.0%	47.24%	2.05%
<b>Total Depreciable</b>			1.28%	23.32	27.5%	34.83%	1.28%
<b>Amortizable</b>							
391.00 Office Furniture	← 15 Year Amortization →			← 15 Year Amortization →			
391.10 Office Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.20 Duplicating Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
391.50 Computer Systems	← 5 Year Amortization →			← 5 Year Amortization →			
391.60 Computer Related Equipment	← 5 Year Amortization →			← 5 Year Amortization →			
394.00 Tools, Shop and Garage Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
394.20 Automated Meter Reading Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.00 Communication Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.10 Radio Telecommunication Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
397.20 Microwave Equipment	← 15 Year Amortization →			← 15 Year Amortization →			
397.30 Radio Load Control Equipment	← 10 Year Amortization →			← 10 Year Amortization →			
<b>Total Amortizable</b>			9.96%	4.72		51.54%	9.96%
<b>Total General Plant</b>			4.26%	10.51	18.0%	40.56%	4.26%
<b>TOTAL UTILITY</b>			2.80%	25.48	-12.3%	38.07%	2.84%
<b>STEAM PRODUCTION</b>							
<b>Big Stone</b>							
311.00 Structures and Improvements	29.32	-6.0%	2.87%	28.39	-6.0%	24.66%	2.87%
312.00 Boiler Plant Equipment	29.32	-6.0%	3.17%	28.39	-6.0%	16.29%	3.16%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	29.29	-6.0%	1.63%	28.36	-6.0%	59.58%	1.64%
315.00 Accessory Electric Equipment	29.31	-6.0%	2.60%	28.39	-6.0%	32.35%	2.59%
316.00 Miscellaneous Power Plant Equipment	29.29	-5.6%	1.96%	28.37	-5.6%	48.11%	2.03%
<b>Total Big Stone</b>			2.90%	28.39	-6.0%	23.88%	2.89%
<b>Hoot Lake Units 2 and 3</b>							
311.00 Structures and Improvements	5.46	-12.2%	2.64%	4.47	-13.5%	100.08%	3.00%
312.00 Boiler Plant Equipment	5.46	-12.2%	7.96%	4.47	-13.5%	76.11%	8.36%
312.10 Boiler Plant Equipment - Ash Ponds	33.91		1.96%	32.99		41.50%	1.77%
314.00 Turbogenerator Units	5.46	-12.2%	4.33%	4.47	-13.5%	92.40%	4.72%
315.00 Accessory Electric Equipment	5.46	-12.2%	3.77%	4.47	-13.5%	94.89%	4.16%
316.00 Miscellaneous Power Plant Equipment	5.46	-12.1%	7.36%	4.47	-13.4%	78.23%	7.87%
<b>Total Hoot Lake Units 2 and 3</b>			6.05%	5.85	-12.1%	78.47%	6.39%
<b>Coyote</b>							
311.00 Structures and Improvements	24.62	-8.5%	1.52%	23.69	-8.0%	71.26%	1.55%
312.00 Boiler Plant Equipment	24.63	-8.5%	1.71%	23.71	-8.0%	59.41%	2.05%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	24.65	-8.5%	2.25%	23.72	-8.0%	53.28%	2.31%
315.00 Accessory Electric Equipment	24.63	-8.5%	1.71%	23.70	-8.0%	67.93%	1.69%
316.00 Miscellaneous Power Plant Equipment	24.65	-8.2%	2.43%	23.72	-7.7%	47.13%	2.55%
<b>Total Coyote</b>			1.76%	23.71	-8.0%	61.32%	1.97%

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b>HYDRAULIC PRODUCTION</b>							
<b><u>Hoot Lake</u></b>							
331.00 Structures and Improvements	5.46		0.28%	4.47		98.72%	0.29%
332.00 Reservoirs, Dams and Waterways	5.46		2.49%	4.47		88.54%	2.56%
333.00 Water Wheels, Turbines & Generators	5.46		1.69%	4.47		92.21%	1.74%
334.00 Accessory Electric Equipment	5.46		2.32%	4.47		89.28%	2.40%
335.00 Miscellaneous Power Plant Equipment	5.46		13.20%	4.47		39.11%	13.62%
<b>Total Hoot Lake</b>			<b>3.00%</b>	<b>4.47</b>		<b>86.20%</b>	<b>3.09%</b>
<b><u>Wright</u></b>							
331.00 Structures and Improvements	5.46		3.51%	4.47		83.82%	3.62%
332.00 Reservoirs, Dams and Waterways	5.46		11.88%	4.47		45.19%	12.26%
333.00 Water Wheels, Turbines & Generators	5.46		4.40%	4.47		79.71%	4.54%
334.00 Accessory Electric Equipment	5.46		6.03%	4.47		72.17%	6.23%
335.00 Miscellaneous Power Plant Equipment	5.46		9.55%	4.47		55.96%	9.85%
<b>Total Wright</b>			<b>8.68%</b>	<b>4.47</b>		<b>59.97%</b>	<b>8.95%</b>
<b><u>Pisgah</u></b>							
331.00 Structures and Improvements	5.46		2.80%	4.47		87.10%	2.89%
332.00 Reservoirs, Dams and Waterways	5.46		9.07%	4.47		58.15%	9.36%
333.00 Water Wheels, Turbines & Generators	5.46		7.80%	4.47		64.02%	8.05%
334.00 Accessory Electric Equipment	5.46		6.68%	4.47		69.17%	6.90%
335.00 Miscellaneous Power Plant Equipment	5.46		13.86%	4.47		36.06%	14.30%
<b>Total Pisgah</b>			<b>8.76%</b>	<b>4.47</b>		<b>59.56%</b>	<b>9.05%</b>
<b><u>Dayton Hollow</u></b>							
331.00 Structures and Improvements	5.46		12.26%	4.47		43.44%	12.65%
332.00 Reservoirs, Dams and Waterways	5.46		11.98%	4.47		44.71%	12.37%
333.00 Water Wheels, Turbines & Generators	5.46		7.68%	4.47		64.55%	7.93%
334.00 Accessory Electric Equipment	5.46		5.35%	4.47		75.30%	5.53%
335.00 Miscellaneous Power Plant Equipment	5.46		12.77%	4.47		41.06%	13.19%
<b>Total Dayton Hollow</b>			<b>10.80%</b>	<b>4.47</b>		<b>50.14%</b>	<b>11.16%</b>
<b><u>Taplin Gorge</u></b>							
331.00 Structures and Improvements	5.45		1.07%	4.47		95.09%	1.10%
332.00 Reservoirs, Dams and Waterways	5.46		7.27%	4.47		66.44%	7.51%
333.00 Water Wheels, Turbines & Generators	5.45		0.92%	4.47		95.74%	0.95%
334.00 Accessory Electric Equipment	5.46		4.68%	4.47		78.42%	4.83%
335.00 Miscellaneous Power Plant Equipment	5.46		10.11%	4.47		53.35%	10.44%
<b>Total Taplin Gorge</b>			<b>7.06%</b>	<b>4.47</b>		<b>67.41%</b>	<b>7.29%</b>
<b><u>Bemidji</u></b>							
331.00 Structures and Improvements	5.46		9.16%	4.47		57.72%	9.46%
332.00 Reservoirs, Dams and Waterways	5.46		9.77%	4.47		54.93%	10.08%
333.00 Water Wheels, Turbines & Generators	5.46		6.79%	4.47		68.68%	7.01%
334.00 Accessory Electric Equipment	5.45		6.78%	4.47		68.79%	6.98%
335.00 Miscellaneous Power Plant Equipment	5.46		11.34%	4.47		47.70%	11.70%
<b>Total Bemidji</b>			<b>8.95%</b>	<b>4.47</b>		<b>58.69%</b>	<b>9.24%</b>

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates  
Current: VG Procedure / RL Technique  
Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b>OTHER PRODUCTION</b>							
<b><u>Jamestown</u></b>							
341.00 Structures and Improvements	17.10	-1.7%	1.77%	16.14	-1.6%	75.06%	1.64%
342.00 Fuel Holders and Accessories	17.11	-1.7%	2.78%	16.15	-1.6%	59.72%	2.59%
343.00 Prime Movers	17.08	-1.7%	0.99%	16.13	-1.6%	78.67%	1.42%
344.00 Generators							
345.00 Accessory Electric Equipment	17.09	-1.7%	2.45%	16.14	-1.6%	64.68%	2.29%
346.00 Miscellaneous Power Plant Equipment	17.11	-1.7%	3.50%	16.15	-1.6%	49.00%	3.26%
<b>Total Jamestown</b>			1.18%	16.14	-1.6%	76.82%	1.53%
<b><u>Jamestown Unit 1</u></b>							
341.00 Structures and Improvements	17.10	-1.7%	1.66%	16.14	-1.6%	76.68%	1.54%
342.00 Fuel Holders and Accessories	17.11	-1.7%	2.94%	16.15	-1.6%	57.34%	2.74%
343.00 Prime Movers	17.09	-1.7%	1.14%	16.14	-1.6%	74.35%	1.69%
344.00 Generators							
345.00 Accessory Electric Equipment	17.07	-1.7%	1.60%	16.12	-1.6%	77.65%	1.49%
346.00 Miscellaneous Power Plant Equipment	17.11	-1.7%	3.64%	16.15	-1.6%	46.73%	3.40%
<b>Total Jamestown Unit 1</b>			1.42%	16.14	-1.6%	72.41%	1.81%
<b><u>Jamestown Unit 2</u></b>							
341.00 Structures and Improvements	17.11	-1.7%	2.98%	16.15	-1.6%	56.73%	2.78%
342.00 Fuel Holders and Accessories	17.08	-1.7%	1.16%	16.12	-1.6%	84.25%	1.08%
343.00 Prime Movers	17.08	-1.7%	0.87%	16.13	-1.6%	82.01%	1.21%
344.00 Generators							
345.00 Accessory Electric Equipment	17.11	-1.7%	4.29%	16.15	-1.6%	36.86%	4.01%
346.00 Miscellaneous Power Plant Equipment	17.09	-1.7%	-0.31%	16.13	-1.6%	109.46%	-0.49%
<b>Total Jamestown Unit 2</b>			0.95%	16.13	-1.6%	81.09%	1.27%
<b><u>Lake Preston</u></b>							
341.00 Structures and Improvements	17.09	-2.9%	1.36%	16.13	-2.8%	82.39%	1.27%
342.00 Fuel Holders and Accessories	17.09	-2.9%	1.56%	16.14	-2.8%	79.28%	1.46%
343.00 Prime Movers	17.08	-2.9%	0.85%	16.13	-2.8%	81.89%	1.30%
344.00 Generators							
345.00 Accessory Electric Equipment	17.08	-2.9%	0.74%	16.13	-2.8%	81.02%	1.35%
346.00 Miscellaneous Power Plant Equipment	17.08	-2.9%	0.75%	16.13	-2.8%	91.60%	0.69%
<b>Total Lake Preston</b>			0.92%	16.13	-2.8%	81.68%	1.31%
<b><u>Ashtabula Wind Generation</u></b>							
341.00 Structures and Improvements	17.11	-1.2%	4.28%	16.15	-1.2%	32.09%	4.28%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	17.11	-1.2%	4.36%	16.15	-1.2%	30.43%	4.38%
345.00 Accessory Electric Equipment	17.11	-1.2%	4.30%	16.15	-1.2%	31.84%	4.29%
346.00 Miscellaneous Power Plant Equipment	17.11	-1.2%	5.12%	16.16	-1.2%	18.47%	5.12%
<b>Total Ashtabula Wind Generation</b>			4.35%	16.15	-1.2%	30.55%	4.37%
<b><u>Langdon Wind Generation</u></b>							
341.00 Structures and Improvements	16.15	-1.4%	4.32%	15.19	-1.4%	35.79%	4.32%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	16.15	-1.4%	4.39%	15.19	-1.4%	33.93%	4.44%
345.00 Accessory Electric Equipment	16.15	-1.4%	4.40%	15.19	-1.4%	34.55%	4.40%
346.00 Miscellaneous Power Plant Equipment	16.16	-1.5%	5.37%	15.20	-1.4%	19.86%	5.36%
<b>Total Langdon Wind Generation</b>			4.39%	15.19	-1.4%	34.03%	4.43%

**OTTER TAIL POWER COMPANY**

Statement A

Comparison of Current and Updated Accrual Rates

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	Current			Updated			
	Rem. Life B	Fut. Net Salvage C	Accrual Rate D	Rem. Life E	Fut. Net Salvage F	Reserve Ratio G	Accrual Rate H
<b><u>Luverne Wind Generation</u></b>							
341.00 Structures and Improvements	18.07	-2.0%	4.27%	17.11	-2.0%	28.93%	4.27%
342.00 Fuel Holders and Accessories							
343.00 Prime Movers							
344.00 Generators	18.07	-2.0%	4.33%	17.11	-2.0%	27.79%	4.34%
345.00 Accessory Electric Equipment	18.07	-2.0%	4.27%	17.11	-2.0%	28.90%	4.27%
346.00 Miscellaneous Power Plant Equipment	18.07	-2.0%	5.06%	17.11	-2.0%	15.42%	5.06%
<b>Total Luverne Wind Generation</b>			4.32%	17.11	-2.0%	27.89%	4.33%
<b><u>Solway Combustion Turbine</u></b>							
341.00 Structures and Improvements	21.85	-0.4%	2.98%	20.90	-0.4%	38.22%	2.98%
342.00 Fuel Holders and Accessories	21.85	-0.4%	2.93%	20.90	-0.4%	39.11%	2.93%
343.00 Prime Movers	21.85	-0.4%	3.02%	20.90	-0.4%	37.14%	3.03%
344.00 Generators							
345.00 Accessory Electric Equipment	21.85	-0.4%	3.14%	20.90	-0.4%	34.82%	3.14%
346.00 Miscellaneous Power Plant Equipment	21.85	-0.4%	3.07%	20.91	-0.4%	33.92%	3.18%
<b>Total Solway Combustion Turbine</b>			3.02%	20.90	-0.4%	37.23%	3.03%
<b><u>Fergus Falls Control Center</u></b>							
341.00 Structures and Improvements							
342.00 Fuel Holders and Accessories							
343.00 Prime Movers	14.22		3.05%	13.26		59.51%	3.05%
344.00 Generators							
345.00 Accessory Electric Equipment							
346.00 Miscellaneous Power Plant Equipment							
<b>Total Fergus Falls Control Center</b>			3.05%	13.26		59.51%	3.05%

**OTTER TAIL POWER COMPANY**

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Statement B

Account Description A	12/31/16 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E
<b>STEAM PRODUCTION</b>								
311.00 Structures and Improvements	\$ 125,448,487	0.53882583	\$ 3,123,925	\$ 1,683,252	\$ 3,156,104	\$ 1,700,591	\$ 32,179	\$ 17,339
312.00 Boiler Plant Equipment	325,383,494	0.53882583	10,653,615	5,740,443	11,133,765	5,999,160	480,150	258,717
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049	0.53882583	131,223	70,706	118,502	63,852	(12,721)	(6,854)
314.00 Turbogenerator Units	65,898,799	0.53882583	1,535,867	827,565	1,598,423	861,272	62,556	33,707
315.00 Accessory Electric Equipment	36,676,240	0.53882583	880,512	474,443	886,726	477,791	6,214	3,348
316.00 Miscellaneous Power Plant Equipment	6,434,345	0.53882583	198,452	106,931	209,095	112,667	10,643	5,736
<b>Total Steam Production Plant</b>	<b>\$ 566,536,414</b>		<b>\$ 16,523,594</b>	<b>\$ 8,903,340</b>	<b>\$ 17,102,615</b>	<b>\$ 9,215,333</b>	<b>\$ 579,021</b>	<b>\$ 311,993</b>
<b>HYDRAULIC PRODUCTION</b>								
331.00 Structures and Improvements	\$ 351,712	0.53882583	\$ 21,874	\$ 11,788	\$ 22,587	\$ 12,171	\$ 713	\$ 383
332.00 Reservoirs, Dams and Waterways	4,277,055	0.53882583	425,871	229,471	439,574	236,854	13,703	7,383
333.00 Water Wheels, Turbines & Generators	1,373,867	0.53882583	77,880	41,856	80,177	43,202	2,497	1,346
334.00 Accessory Electric Equipment	592,400	0.53882583	33,018	17,790	34,114	18,382	1,096	592
335.00 Miscellaneous Power Plant Equipment	442,624	0.53882583	50,934	27,445	52,574	28,328	1,640	883
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,037,658</b>		<b>\$ 609,377</b>	<b>\$ 328,350</b>	<b>\$ 629,026</b>	<b>\$ 338,937</b>	<b>\$ 19,649</b>	<b>\$ 10,587</b>
<b>OTHER PRODUCTION</b>								
341.00 Structures and Improvements	\$ 12,946,210	0.53882583	\$ 483,121	\$ 261,025	\$ 482,527	\$ 260,706	\$ (594)	\$ (319)
342.00 Fuel Holders and Accessories	1,748,265	0.53882583	46,108	24,844	44,991	24,242	(1,117)	(602)
343.00 Prime Movers	32,326,159	0.53882583	763,897	411,608	810,823	436,892	46,926	25,284
344.00 Generators	241,601,355	0.53882583	10,534,896	5,698,233	10,597,428	5,732,055	62,532	33,822
345.00 Accessory Electric Equipment	20,551,753	0.53882583	856,085	462,945	857,519	463,718	1,434	773
346.00 Miscellaneous Power Plant Equipment	628,270	0.53882583	22,722	12,261	22,876	12,344	154	83
<b>Total Other Production Plant</b>	<b>\$ 309,802,012</b>		<b>\$ 12,706,829</b>	<b>\$ 6,870,916</b>	<b>\$ 12,816,164</b>	<b>\$ 6,929,957</b>	<b>\$ 109,335</b>	<b>\$ 59,041</b>
<b>TRANSMISSION PLANT</b>								
353.00 Station Equipment	\$ 95,137,119	0.50617698	\$ 1,484,139	\$ 751,237	\$ 1,465,112	\$ 741,606	\$ (19,027)	\$ (9,631)
354.00 Towers and Fixtures	81,106,418	0.50617698	1,273,371	644,551	1,273,371	644,551		
355.00 Poles and Fixtures	112,685,716	0.50617698	2,208,640	1,117,963	2,208,640	1,117,963		
356.00 Overhead Conductors and Devices	107,171,847	0.50617698	1,811,204	916,790	1,821,921	922,214	10,717	5,424
358.00 Underground Conductors and Devices	77,461	0.50617698	1,053	533	992	502	(61)	(31)
<b>Total Transmission Plant</b>	<b>\$ 396,178,561</b>		<b>\$ 6,778,407</b>	<b>\$ 3,431,074</b>	<b>\$ 6,770,036</b>	<b>\$ 3,426,836</b>	<b>\$ (8,371)</b>	<b>\$ (4,238)</b>
<b>DISTRIBUTION PLANT</b>								
362.00 Station Equipment	\$ 78,123,696	0.43977948	\$ 1,656,222	\$ 728,372	\$ 1,648,410	\$ 724,937	\$ (7,812)	\$ (3,435)
364.00 Poles, Towers and Fixtures	70,849,816	0.43977948	1,764,160	775,841	1,764,160	775,841		
365.00 Overhead Conductors and Devices	49,842,699	0.43977948	1,395,596	613,754	1,395,596	613,754		
367.00 Underground Conductors and Devices	74,699,089	0.43977948	1,762,899	775,287	1,770,368	778,572	7,469	3,285
368.00 Line Transformers	93,713,427	0.43977948	1,171,418	515,166	1,171,418	515,166		

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/16	Minnesota	Current Annual Accrual		Updated Annual Accrual		Difference	
	Plant	Allocation	Total	Minnesota	Total	Minnesota	Total	Minnesota
	Investment B	Factor C	D	E=C*D	F	G=C*F	H=F-D	I=G-E
369.00 Overhead Services	12,990,947	0.43977948	549,517	241,666	550,816	242,238	1,299	572
369.10 Underground Services	40,988,218	0.43977948	1,069,792	470,473	1,069,792	470,473		
370.00 Meters	24,832,623	0.43977948	794,644	349,468	799,610	351,652	4,966	2,184
370.10 Load Management Switches	8,665,511	0.43977948	1,013,865	445,877	869,151	382,235	(144,714)	(63,642)
371.20 Other Private Lighting	4,766,865	0.43977948	186,688	82,102	191,475	84,207	4,787	2,105
373.00 Street Lighting and Signal Systems	5,464,004	0.43977948	186,323	81,941	190,694	83,863	4,371	1,922
<b>Total Distribution Plant</b>	<b>\$ 464,956,895</b>		<b>\$ 11,551,124</b>	<b>\$ 5,079,947</b>	<b>\$ 11,421,490</b>	<b>\$ 5,022,938</b>	<b>\$ (129,634)</b>	<b>\$ (57,009)</b>
<b>GENERAL PLANT</b>								
<b>Depreciable</b>								
390.00 Structures and Improvements	\$ 19,890,073	0.49195116	\$ 407,746	\$ 200,591	\$ 405,757	\$ 199,613	\$ (1,989)	\$ (978)
390.10 General Office Buildings	5,718,958	0.49195116	30,310	14,911	30,882	15,192	572	281
390.20 Fleet Service Center Building	937,678	0.49195116	13,784	6,781	13,971	6,873	187	92
390.30 Central Stores Building	4,027,548	0.49195116	(84,176)	(41,410)	(83,370)	(41,014)	806	396
396.00 Power Operated Equipment	616,048	0.49195116	16,140	7,940	18,358	9,031	2,218	1,091
397.40 Communication Towers	1,888,762	0.49195116	38,908	19,141	38,720	19,048	(188)	(93)
<b>Total Depreciable</b>	<b>\$ 33,079,067</b>		<b>\$ 422,712</b>	<b>\$ 207,954</b>	<b>\$ 424,318</b>	<b>\$ 208,743</b>	<b>\$ 1,806</b>	<b>\$ 789</b>
<b>Amortizable</b>								
391.00 Office Furniture	\$ 1,177,317	0.49195116	\$ 78,527	\$ 38,631	\$ 78,527	\$ 38,631	\$ -	\$ -
391.10 Office Equipment	807,128	0.49195116	80,713	39,707	80,713	39,707		
391.20 Duplicating Equipment	287,696	0.49195116	28,770	14,153	28,770	14,153		
391.50 Computer Systems	2,677,295	0.49195116	535,459	263,420	535,459	263,420		
391.60 Computer Related Equipment	944,691	0.49195116	188,938	92,948	188,938	92,948		
394.00 Tools, Shop and Garage Equipment	3,996,914	0.49195116	266,594	131,151	266,594	131,151		
394.20 Automated Meter Reading Equipment	617,570	0.49195116	41,192	20,264	41,192	20,264		
397.00 Communication Equipment	818,647	0.49195116	54,604	26,863	54,604	26,863		
397.10 Radio Telecommunication Equipment	1,184,478	0.49195116	118,448	58,271	118,448	58,271		
397.20 Microwave Equipment	4,448,448	0.49195116	298,711	145,967	296,711	145,967		
397.30 Radio Load Control Equipment	317,859	0.49195116	31,786	15,637	31,786	15,637		
<b>Total Amortizable</b>	<b>\$ 17,278,043</b>		<b>\$ 1,721,742</b>	<b>\$ 847,012</b>	<b>\$ 1,721,742</b>	<b>\$ 847,012</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total General Plant</b>	<b>\$ 50,357,110</b>		<b>\$ 2,144,454</b>	<b>\$ 1,054,966</b>	<b>\$ 2,146,060</b>	<b>\$ 1,055,755</b>	<b>\$ 1,606</b>	<b>\$ 789</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,794,868,650</b>		<b>\$ 50,313,785</b>	<b>\$ 25,668,593</b>	<b>\$ 50,885,391</b>	<b>\$ 25,989,756</b>	<b>\$ 571,606</b>	<b>\$ 321,163</b>

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/16 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
<b>STEAM PRODUCTION</b>									
<b>Big Stone</b>									
311.00 Structures and Improvements	\$ 85,108,485	0.53882583	\$ 2,442,614	\$ 1,316,144	\$ 2,442,614	\$ 1,316,144	\$ -	\$ -	
312.00 Boiler Plant Equipment	185,435,375	0.53882583	5,878,301	3,167,380	5,859,758	3,157,389	(18,543)	(9,991)	
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	30,154,765	0.53882583	491,523	264,845	494,538	266,470	3,015	1,625	
315.00 Accessory Electric Equipment	22,062,273	0.53882583	573,619	309,081	571,413	307,892	(2,206)	(1,189)	
316.00 Miscellaneous Power Plant Equipment	3,188,424	0.53882583	62,493	33,673	64,725	34,876	2,232	1,203	
<b>Total Big Stone</b>	<b>\$ 325,949,322</b>		<b>\$ 9,448,550</b>	<b>\$ 5,091,123</b>	<b>\$ 9,433,048</b>	<b>\$ 5,082,771</b>	<b>\$ (15,502)</b>	<b>\$ (8,352)</b>	
<b>Hoot Lake Units 2 and 3</b>									
311.00 Structures and Improvements	\$ 6,084,167	0.53882583	\$ 160,622	\$ 86,547	\$ 182,525	\$ 98,349	\$ 21,903	\$ 11,802	
312.00 Boiler Plant Equipment	38,115,216	0.53882583	3,033,971	1,634,782	3,186,432	1,716,932	152,461	82,150	
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049	0.53882583	131,223	70,706	118,502	63,852	(12,721)	(6,854)	
314.00 Turbogenerator Units	11,543,445	0.53882583	499,831	269,322	544,851	293,580	45,020	24,258	
315.00 Accessory Electric Equipment	2,766,673	0.53882583	104,304	56,202	115,094	62,016	10,790	5,814	
316.00 Miscellaneous Power Plant Equipment	1,157,884	0.53882583	85,220	45,919	91,125	49,101	5,905	3,182	
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,362,434</b>		<b>\$ 4,015,171</b>	<b>\$ 2,163,478</b>	<b>\$ 4,238,529</b>	<b>\$ 2,283,830</b>	<b>\$ 223,358</b>	<b>\$ 120,352</b>	
<b>Coyote</b>									
311.00 Structures and Improvements	\$ 34,255,835	0.53882583	\$ 520,689	\$ 280,561	\$ 530,965	\$ 288,098	\$ 10,276	\$ 5,537	
312.00 Boiler Plant Equipment	101,832,903	0.53882583	1,741,343	938,281	2,087,575	1,124,839	346,232	186,558	
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	24,200,589	0.53882583	544,513	293,398	559,034	301,222	14,521	7,824	
315.00 Accessory Electric Equipment	11,847,294	0.53882583	202,589	109,160	200,219	107,883	(2,370)	(1,277)	
316.00 Miscellaneous Power Plant Equipment	2,088,037	0.53882583	50,739	27,339	53,245	28,690	2,506	1,351	
<b>Total Coyote</b>	<b>\$ 174,224,658</b>		<b>\$ 3,059,873</b>	<b>\$ 1,648,739</b>	<b>\$ 3,431,038</b>	<b>\$ 1,848,732</b>	<b>\$ 371,165</b>	<b>\$ 199,993</b>	
<b>HYDRAULIC PRODUCTION</b>									
<b>Hoot Lake</b>									
331.00 Structures and Improvements	\$ 69,354	0.53882583	\$ 194	\$ 105	\$ 201	\$ 108	\$ 7	\$ 3	
332.00 Reservoirs, Dams and Waterways	297,674	0.53882583	7,412	3,994	7,620	4,106	208	112	
333.00 Water Wheels, Turbines & Generators	104,195	0.53882583	1,761	949	1,813	977	52	28	
334.00 Accessory Electric Equipment	34,651	0.53882583	804	433	832	448	28	15	
335.00 Miscellaneous Power Plant Equipment	48,801	0.53882583	6,442	3,471	6,647	3,582	205	111	
<b>Total Hoot Lake</b>	<b>\$ 554,675</b>		<b>\$ 16,613</b>	<b>\$ 8,952</b>	<b>\$ 17,113</b>	<b>\$ 9,221</b>	<b>\$ 500</b>	<b>\$ 269</b>	
<b>Wright</b>									
331.00 Structures and Improvements	\$ 19,026	0.53882583	\$ 668	\$ 360	\$ 689	\$ 371	\$ 21	\$ 11	
332.00 Reservoirs, Dams and Waterways	892,711	0.53882583	106,054	57,145	109,446	58,972	3,392	1,827	
333.00 Water Wheels, Turbines & Generators	545,392	0.53882583	23,997	12,930	24,761	13,342	764	412	
334.00 Accessory Electric Equipment	200,524	0.53882583	12,092	6,515	12,493	6,732	401	217	
335.00 Miscellaneous Power Plant Equipment	115,218	0.53882583	11,003	5,929	11,349	6,115	346	186	
<b>Total Wright</b>	<b>\$ 1,772,871</b>		<b>\$ 153,814</b>	<b>\$ 82,879</b>	<b>\$ 158,738</b>	<b>\$ 85,532</b>	<b>\$ 4,924</b>	<b>\$ 2,653</b>	

**OTTER TAIL POWER COMPANY**

Statement B

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

Account Description A	12/31/16 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
<b>Pisgah</b>									
331.00 Structures and Improvements	\$ 12,118	0.53882583	\$ 339	\$ 183	\$ 350	\$ 189	\$ 11	\$ 6	
332.00 Reservoirs, Dams and Waterways	376,297	0.53882583	34,130	18,390	35,221	18,978	1,091	588	
333.00 Water Wheels, Turbines & Generators	159,732	0.53882583	12,459	6,713	12,858	6,928	399	215	
334.00 Accessory Electric Equipment	99,812	0.53882583	6,667	3,592	6,887	3,711	220	119	
335.00 Miscellaneous Power Plant Equipment	62,744	0.53882583	8,696	4,686	8,972	4,834	276	148	
<b>Total Pisgah</b>	<b>\$ 710,703</b>		<b>\$ 62,291</b>	<b>\$ 33,564</b>	<b>\$ 64,288</b>	<b>\$ 34,640</b>	<b>\$ 1,997</b>	<b>\$ 1,076</b>	
<b>Dayton Hollow</b>									
331.00 Structures and Improvements	\$ 16,269	0.53882583	\$ 1,995	\$ 1,075	\$ 2,058	\$ 1,109	\$ 63	\$ 34	
332.00 Reservoirs, Dams and Waterways	1,291,391	0.53882583	154,709	83,361	159,745	86,075	5,036	2,714	
333.00 Water Wheels, Turbines & Generators	226,751	0.53882583	17,414	9,383	17,981	9,689	567	306	
334.00 Accessory Electric Equipment	193,342	0.53882583	10,344	5,574	10,692	5,761	348	187	
335.00 Miscellaneous Power Plant Equipment	111,159	0.53882583	14,195	7,649	14,662	7,900	467	251	
<b>Total Dayton Hollow</b>	<b>\$ 1,838,912</b>		<b>\$ 198,657</b>	<b>\$ 107,042</b>	<b>\$ 205,138</b>	<b>\$ 110,534</b>	<b>\$ 6,481</b>	<b>\$ 3,492</b>	
<b>Taplin Gorge</b>									
331.00 Structures and Improvements	\$ 35,140	0.53882583	\$ 376	\$ 203	\$ 387	\$ 209	\$ 11	\$ 6	
332.00 Reservoirs, Dams and Waterways	602,762	0.53882583	43,821	23,612	45,267	24,391	1,446	779	
333.00 Water Wheels, Turbines & Generators	15,110	0.53882583	139	75	144	78	5	3	
334.00 Accessory Electric Equipment	58,695	0.53882583	2,747	1,480	2,835	1,528	88	48	
335.00 Miscellaneous Power Plant Equipment	103,632	0.53882583	10,477	5,645	10,819	5,830	342	185	
<b>Total Taplin Gorge</b>	<b>\$ 815,339</b>		<b>\$ 57,560</b>	<b>\$ 31,015</b>	<b>\$ 59,452</b>	<b>\$ 32,036</b>	<b>\$ 1,892</b>	<b>\$ 1,021</b>	
<b>Bemidji</b>									
331.00 Structures and Improvements	\$ 199,805	0.53882583	\$ 18,302	\$ 9,862	\$ 18,902	\$ 10,185	\$ 600	\$ 323	
332.00 Reservoirs, Dams and Waterways	816,220	0.53882583	79,745	42,969	82,275	44,332	2,530	1,363	
333.00 Water Wheels, Turbines & Generators	322,687	0.53882583	21,910	11,806	22,620	12,188	710	382	
334.00 Accessory Electric Equipment	5,376	0.53882583	364	196	375	202	11	6	
335.00 Miscellaneous Power Plant Equipment	1,070	0.53882583	121	65	125	67	4	2	
<b>Total Bemidji</b>	<b>\$ 1,345,158</b>		<b>\$ 120,442</b>	<b>\$ 64,898</b>	<b>\$ 124,297</b>	<b>\$ 66,974</b>	<b>\$ 3,855</b>	<b>\$ 2,076</b>	
<b>OTHER PRODUCTION</b>									
<b>Jamestown</b>									
341.00 Structures and Improvements	\$ 305,657	0.53882583	\$ 5,402	\$ 2,910	\$ 5,015	\$ 2,702	\$ (387)	\$ (208)	
342.00 Fuel Holders and Accessories	415,964	0.53882583	11,575	6,237	10,787	5,812	(788)	(425)	
343.00 Prime Movers	6,952,527	0.53882583	68,670	37,002	98,674	53,168	30,004	16,166	
344.00 Generators									
345.00 Accessory Electric Equipment	227,590	0.53882583	5,586	3,009	5,214	2,810	(372)	(199)	
346.00 Miscellaneous Power Plant Equipment	88,665	0.53882583	3,101	1,671	2,890	1,557	(211)	(114)	
<b>Total Jamestown</b>	<b>\$ 7,990,403</b>		<b>\$ 94,334</b>	<b>\$ 50,829</b>	<b>\$ 122,580</b>	<b>\$ 66,049</b>	<b>\$ 28,248</b>	<b>\$ 15,220</b>	

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/16 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference	
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E
<b>Jamestown Unit 1</b>								
341.00 Structures and Improvements	\$ 280,804	0.53882583	\$ 4,661	\$ 2,511	\$ 4,324	\$ 2,330	\$ (337)	\$ (181)
342.00 Fuel Holders and Accessories	379,195	0.53882583	11,148	6,007	10,390	5,598	(758)	(409)
343.00 Prime Movers	3,030,866	0.53882583	34,552	18,618	51,222	27,600	16,670	8,982
344.00 Generators								
345.00 Accessory Electric Equipment	155,272	0.53882583	2,484	1,338	2,314	1,247	(170)	(91)
346.00 Miscellaneous Power Plant Equipment	85,462	0.53882583	3,111	1,676	2,906	1,566	(205)	(110)
<b>Total Jamestown Unit 1</b>	<b>\$ 3,931,599</b>		<b>\$ 55,956</b>	<b>\$ 30,150</b>	<b>\$ 71,156</b>	<b>\$ 38,341</b>	<b>\$ 15,200</b>	<b>\$ 8,191</b>
<b>Jamestown Unit 2</b>								
341.00 Structures and Improvements	\$ 24,853	0.53882583	\$ 741	\$ 399	\$ 691	\$ 372	\$ (50)	\$ (27)
342.00 Fuel Holders and Accessories	36,769	0.53882583	427	230	397	214	(30)	(16)
343.00 Prime Movers	3,921,661	0.53882583	34,118	18,384	47,452	25,568	13,334	7,184
344.00 Generators								
345.00 Accessory Electric Equipment	72,318	0.53882583	3,102	1,671	2,900	1,563	(202)	(108)
346.00 Miscellaneous Power Plant Equipment	3,203	0.53882583	(10)	(5)	(16)	(9)	(6)	(4)
<b>Total Jamestown Unit 2</b>	<b>\$ 4,058,804</b>		<b>\$ 38,378</b>	<b>\$ 20,679</b>	<b>\$ 51,424</b>	<b>\$ 27,708</b>	<b>\$ 13,046</b>	<b>\$ 7,029</b>
<b>Lake Preston</b>								
341.00 Structures and Improvements	\$ 229,834	0.53882583	\$ 3,126	\$ 1,684	\$ 2,919	\$ 1,573	\$ (207)	\$ (111)
342.00 Fuel Holders and Accessories	328,705	0.53882583	5,128	2,763	4,799	2,586	(329)	(177)
343.00 Prime Movers	3,282,642	0.53882583	27,902	15,034	42,674	22,994	14,772	7,960
344.00 Generators								
345.00 Accessory Electric Equipment	400,094	0.53882583	2,961	1,595	5,401	2,910	2,440	1,315
346.00 Miscellaneous Power Plant Equipment	21,607	0.53882583	162	87	149	80	(13)	(7)
<b>Total Lake Preston</b>	<b>\$ 4,262,882</b>		<b>\$ 39,279</b>	<b>\$ 21,163</b>	<b>\$ 55,942</b>	<b>\$ 30,143</b>	<b>\$ 16,663</b>	<b>\$ 8,980</b>
<b>Ashtabula Wind Generation</b>								
341.00 Structures and Improvements	\$ 3,248,290	0.54089120	\$ 139,027	\$ 75,198	\$ 139,027	\$ 75,198	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	106,668,515	0.54089120	4,650,747	2,515,548	4,672,081	2,527,087	21,334	11,539
345.00 Accessory Electric Equipment	6,347,379	0.54089120	272,937	147,629	272,303	147,286	(634)	(343)
346.00 Miscellaneous Power Plant Equipment	28,417	0.54089120	1,455	787	1,455	787		
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,292,601</b>		<b>\$ 5,064,166</b>	<b>\$ 2,739,162</b>	<b>\$ 5,084,866</b>	<b>\$ 2,750,358</b>	<b>\$ 20,700</b>	<b>\$ 11,196</b>
<b>Langdon Wind Generation</b>								
341.00 Structures and Improvements	\$ 2,484,069	0.54089120	\$ 107,312	\$ 58,044	\$ 107,312	\$ 58,044	\$ -	\$ -
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	69,262,415	0.54089120	3,040,620	1,644,645	3,075,251	1,663,376	34,631	18,731
345.00 Accessory Electric Equipment	7,407,275	0.54089120	325,920	176,287	325,920	176,287		
346.00 Miscellaneous Power Plant Equipment	65,210	0.54089120	3,502	1,894	3,495	1,890	(7)	(4)
<b>Total Langdon Wind Generation</b>	<b>\$ 79,218,969</b>		<b>\$ 3,477,354</b>	<b>\$ 1,880,870</b>	<b>\$ 3,511,978</b>	<b>\$ 1,899,597</b>	<b>\$ 34,624</b>	<b>\$ 18,727</b>

**OTTER TAIL POWER COMPANY**

Statement B

Comparison of Current and Updated Accruals

Current: VG Procedure / RL Technique

Updated: VG Procedure / RL Technique

Account Description A	12/31/16 Plant Investment B	Minnesota Allocation Factor C	Current Annual Accrual		Updated Annual Accrual		Difference		
			Total D	Minnesota E=C*D	Total F	Minnesota G=C*F	Total H=F-D	Minnesota I=G-E	
<b><u>Luverne Wind Generation</u></b>									
341.00 Structures and Improvements	\$ 2,266,581	0.54089120	\$ 96,783	\$ 52,349	\$ 96,783	\$ 52,349	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,670,425	0.54089120	2,843,529	1,538,040	2,850,096	1,541,592	6,567	3,552	
345.00 Accessory Electric Equipment	4,863,837	0.54089120	207,686	112,336	207,686	112,336			
346.00 Miscellaneous Power Plant Equipment	74,045	0.54089120	3,747	2,027	3,747	2,027			
<b>Total Luverne Wind Generation</b>	<b>\$ 72,874,888</b>		<b>\$ 3,151,745</b>	<b>\$ 1,704,752</b>	<b>\$ 3,158,312</b>	<b>\$ 1,708,304</b>	<b>\$ 6,567</b>	<b>\$ 3,552</b>	
<b><u>Solway Combustion Turbine</u></b>									
341.00 Structures and Improvements	\$ 4,411,779	0.53882583	\$ 131,471	\$ 70,840	\$ 131,471	\$ 70,840	\$ -	\$ -	
342.00 Fuel Holders and Accessories	1,003,596	0.53882583	29,405	15,844	29,405	15,844			
343.00 Prime Movers	21,499,352	0.53882583	649,280	349,849	651,430	351,007	2,150	1,158	
344.00 Generators									
345.00 Accessory Electric Equipment	1,305,578	0.53882583	40,995	22,089	40,995	22,089			
346.00 Miscellaneous Power Plant Equipment	350,326	0.53882583	10,755	5,795	11,140	6,003	385	208	
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,570,631</b>		<b>\$ 861,906</b>	<b>\$ 464,417</b>	<b>\$ 864,441</b>	<b>\$ 465,783</b>	<b>\$ 2,535</b>	<b>\$ 1,366</b>	
<b><u>Fergus Falls Control Center</u></b>									
341.00 Structures and Improvements	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	591,638	0.53882583	18,045	9,723	18,045	9,723			
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
<b>Total Fergus Falls Control Center</b>	<b>\$ 591,638</b>		<b>\$ 18,045</b>	<b>\$ 9,723</b>	<b>\$ 18,045</b>	<b>\$ 9,723</b>	<b>\$ -</b>	<b>\$ -</b>	

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
<b>STEAM PRODUCTION</b>								
311.00 Structures and Improvements	\$ 125,448,487	\$ 51,489,586	41.04%	\$ 41,166,417	32.82%	\$ 10,323,169	20.05%	
312.00 Boiler Plant Equipment	325,383,494	119,714,391	36.79%	107,943,395	33.17%	11,770,996	9.83%	
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049	2,778,539	41.50%	896,423	13.39%	1,882,116	67.74%	
314.00 Turbogenerator Units	65,898,799	41,528,331	63.02%	33,599,753	50.99%	7,928,578	19.09%	
315.00 Accessory Electric Equipment	36,676,240	17,810,797	48.56%	14,178,139	38.66%	3,632,658	20.40%	
316.00 Miscellaneous Power Plant Equipment	6,434,345	3,424,119	53.22%	2,899,583	45.06%	524,536	15.32%	
<b>Total Steam Production Plant</b>	<b>\$ 566,536,414</b>	<b>\$ 236,745,762</b>	<b>41.79%</b>	<b>\$ 200,683,709</b>	<b>35.42%</b>	<b>\$ 36,062,053</b>	<b>15.23%</b>	
<b>HYDRAULIC PRODUCTION</b>								
331.00 Structures and Improvements	\$ 351,712	\$ 250,775	71.30%	\$ 265,343	75.44%	\$ (14,569)	-5.81%	
332.00 Reservoirs, Dams and Waterways	4,277,055	2,311,994	54.06%	2,749,641	64.29%	(437,647)	-18.93%	
333.00 Water Wheels, Turbines & Generators	1,373,867	1,015,522	73.92%	876,590	63.80%	138,932	13.68%	
334.00 Accessory Electric Equipment	592,400	440,013	74.28%	459,027	77.49%	(19,014)	-4.32%	
335.00 Miscellaneous Power Plant Equipment	442,624	207,633	46.91%	248,365	56.11%	(40,732)	-19.62%	
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,037,658</b>	<b>\$ 4,225,938</b>	<b>60.05%</b>	<b>\$ 4,598,966</b>	<b>65.35%</b>	<b>\$ (373,029)</b>	<b>-8.83%</b>	
<b>OTHER PRODUCTION</b>								
341.00 Structures and Improvements	\$ 12,946,210	\$ 4,691,839	36.24%	\$ 4,674,429	36.11%	\$ 17,411	0.37%	
342.00 Fuel Holders and Accessories	1,748,265	901,455	51.56%	756,576	43.28%	144,879	16.07%	
343.00 Prime Movers	32,326,159	16,495,256	51.03%	14,586,281	45.12%	1,908,975	11.57%	
344.00 Generators	241,601,355	74,211,140	30.72%	81,051,104	33.55%	(6,839,963)	-9.22%	
345.00 Accessory Electric Equipment	20,551,753	6,911,316	33.63%	7,183,939	34.96%	(272,623)	-3.94%	
346.00 Miscellaneous Power Plant Equipment	628,270	211,689	33.69%	194,109	30.90%	17,581	8.30%	
<b>Total Other Production Plant</b>	<b>\$ 309,802,012</b>	<b>\$ 103,422,696</b>	<b>33.38%</b>	<b>\$ 108,446,437</b>	<b>35.01%</b>	<b>\$ (5,023,740)</b>	<b>-4.86%</b>	
<b>TRANSMISSION PLANT</b>								
353.00 Station Equipment	\$ 95,137,119	\$ 21,130,782	22.21%	\$ 21,097,277	22.18%	\$ 33,505	0.16%	
354.00 Towers and Fixtures	81,106,418	6,022,108	7.42%	5,939,307	7.32%	82,801	1.37%	
355.00 Poles and Fixtures	112,685,716	49,257,358	43.71%	42,722,651	37.91%	6,534,707	13.27%	
356.00 Overhead Conductors and Devices	107,171,847	38,788,960	36.19%	33,106,945	30.89%	5,682,016	14.65%	
358.00 Underground Conductors and Devices	77,461	72,457	93.54%	63,881	82.47%	8,575	11.84%	
<b>Total Transmission Plant</b>	<b>\$ 396,178,561</b>	<b>\$ 115,271,665</b>	<b>29.10%</b>	<b>\$ 102,930,061</b>	<b>25.98%</b>	<b>\$ 12,341,605</b>	<b>10.71%</b>	
<b>DISTRIBUTION PLANT</b>								
362.00 Station Equipment	\$ 78,123,696	\$ 21,420,786	27.42%	\$ 17,131,850	21.93%	\$ 4,288,936	20.02%	
364.00 Poles, Towers and Fixtures	70,849,816	40,670,751	57.40%	37,266,171	52.60%	3,404,580	8.37%	
365.00 Overhead Conductors and Devices	49,842,699	39,572,569	79.39%	34,384,378	68.99%	5,188,191	13.11%	

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
367.00 Underground Conductors and Devices	74,699,089	35,553,204	47.60%	31,008,978	41.51%	4,544,226	12.78%
368.00 Line Transformers	93,713,427	13,945,405	14.88%	13,056,828	13.93%	888,577	6.37%
369.00 Overhead Services	12,990,947	15,061,134	115.94%	13,471,130	103.70%	1,590,004	10.56%
369.10 Underground Services	40,988,218	17,497,915	42.69%	16,840,931	41.09%	656,984	3.75%
370.00 Meters	24,832,623	8,243,380	33.20%	7,482,042	30.13%	761,338	9.24%
370.10 Load Management Switches	8,665,511	7,283,294	84.05%	7,574,603	87.41%	(291,310)	-4.00%
371.20 Other Private Lighting	4,786,865	1,047,023	21.87%	1,105,846	23.10%	(58,823)	-5.62%
373.00 Street Lighting and Signal Systems	5,464,004	2,852,491	52.21%	1,929,823	35.32%	922,668	32.35%
<b>Total Distribution Plant</b>	<b>\$ 464,956,895</b>	<b>\$ 203,147,952</b>	<b>43.69%</b>	<b>\$ 181,252,580</b>	<b>38.98%</b>	<b>\$ 21,895,372</b>	<b>10.78%</b>
<b>GENERAL PLANT</b>							
<b>Depreciable</b>							
390.00 Structures and Improvements	\$ 19,890,073	\$ 5,683,518	28.57%	\$ 7,000,331	35.20%	\$ (1,316,814)	-23.17%
390.10 General Office Buildings	5,718,958	2,474,268	43.26%	1,460,335	25.53%	1,013,933	40.98%
390.20 Fleet Service Center Building	937,678	505,503	53.91%	409,018	43.62%	96,485	19.09%
390.30 Central Stores Building	4,027,548	1,798,731	44.66%	160,584	3.99%	1,638,146	91.07%
396.00 Power Operated Equipment	616,048	166,253	26.99%	152,836	24.81%	13,417	8.07%
397.40 Communication Towers	1,888,762	892,278	47.24%	764,297	40.47%	127,981	14.34%
<b>Total Depreciable</b>	<b>\$ 33,079,067</b>	<b>\$ 11,520,550</b>	<b>34.83%</b>	<b>\$ 9,947,402</b>	<b>30.07%</b>	<b>\$ 1,573,148</b>	<b>13.66%</b>
<b>Amortizable</b>							
391.00 Office Furniture	\$ 1,177,317	\$ 764,665	64.95%	\$ 772,640	65.63%	\$ (7,975)	-1.04%
391.10 Office Equipment	807,128	593,716	73.56%	607,866	75.31%	(14,150)	-2.38%
391.20 Duplicating Equipment	287,696	170,812	59.37%	176,918	61.49%	(6,106)	-3.57%
391.50 Computer Systems	2,677,295	1,490,523	55.67%	1,644,987	61.44%	(154,464)	-10.36%
391.60 Computer Related Equipment	944,691	562,427	59.54%	608,819	64.45%	(46,392)	-8.25%
394.00 Tools, Shop and Garage Equipment	3,996,914	1,682,229	42.09%	1,707,064	42.71%	(24,835)	-1.48%
394.20 Automated Meter Reading Equipment	617,570	381,068	61.70%	377,073	61.06%	3,995	1.05%
397.00 Communication Equipment	818,647	368,365	45.00%	380,477	46.48%	(12,112)	-3.29%
397.10 Radio Telecommunication Equipment	1,184,478	694,473	58.63%	720,492	60.83%	(26,019)	-3.75%
397.20 Microwave Equipment	4,448,448	2,034,320	45.73%	2,100,637	47.22%	(66,317)	-3.26%
397.30 Radio Load Control Equipment	317,859	162,556	51.14%	177,897	55.97%	(15,341)	-9.44%
<b>Total Amortizable</b>	<b>\$ 17,278,043</b>	<b>\$ 8,905,155</b>	<b>51.54%</b>	<b>\$ 9,274,870</b>	<b>53.68%</b>	<b>\$ (369,715)</b>	<b>-4.15%</b>
<b>Total General Plant</b>	<b>\$ 50,357,110</b>	<b>\$ 20,425,705</b>	<b>40.56%</b>	<b>\$ 19,222,272</b>	<b>38.17%</b>	<b>\$ 1,203,432</b>	<b>5.89%</b>
<b>TOTAL UTILITY</b>	<b>\$ 1,794,868,650</b>	<b>\$ 683,239,718</b>	<b>38.07%</b>	<b>\$ 617,134,025</b>	<b>34.38%</b>	<b>\$ 66,105,693</b>	<b>9.68%</b>

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C
<b>STEAM PRODUCTION</b>							
<b>Big Stone</b>							
311.00 Structures and Improvements	\$ 85,108,485	\$ 20,991,263	24.66%	\$ 15,342,917	18.03%	\$ 5,648,345	26.91%
312.00 Boiler Plant Equipment	185,435,375	30,208,687	16.29%	28,698,468	15.48%	1,510,219	5.00%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	30,154,765	17,967,397	59.58%	11,667,721	38.69%	6,299,676	35.06%
315.00 Accessory Electric Equipment	22,062,273	7,138,006	32.35%	5,062,276	22.95%	2,075,730	29.08%
316.00 Miscellaneous Power Plant Equipment	3,188,424	1,534,104	48.11%	1,099,550	34.49%	434,554	28.33%
<b>Total Big Stone</b>	<b>\$ 325,949,322</b>	<b>\$ 77,839,457</b>	<b>23.88%</b>	<b>\$ 61,870,932</b>	<b>18.98%</b>	<b>\$ 15,968,525</b>	<b>20.51%</b>
<b>Hoot Lake Units 2 and 3</b>							
311.00 Structures and Improvements	\$ 6,084,167	\$ 6,088,761	100.08%	\$ 6,032,528	99.15%	\$ 56,233	0.92%
312.00 Boiler Plant Equipment	38,115,216	29,010,816	76.11%	29,528,007	77.47%	(517,191)	-1.78%
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049	2,778,539	41.50%	896,423	13.39%	1,882,116	67.74%
314.00 Turbogenerator Units	11,543,445	10,666,374	92.40%	10,650,739	92.27%	15,635	0.15%
315.00 Accessory Electric Equipment	2,766,673	2,625,337	94.89%	2,601,949	94.05%	23,388	0.89%
316.00 Miscellaneous Power Plant Equipment	1,157,884	905,826	78.23%	928,205	80.16%	(22,380)	-2.47%
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,362,434</b>	<b>\$ 52,075,652</b>	<b>78.47%</b>	<b>\$ 50,637,851</b>	<b>76.30%</b>	<b>\$ 1,437,801</b>	<b>2.76%</b>
<b>Coyote</b>							
311.00 Structures and Improvements	\$ 34,255,835	\$ 24,409,562	71.26%	\$ 19,790,972	57.77%	\$ 4,618,590	18.92%
312.00 Boiler Plant Equipment	101,832,903	60,494,888	59.41%	49,716,919	48.82%	10,777,968	17.82%
312.10 Boiler Plant Equipment - Ash Ponds							
314.00 Turbogenerator Units	24,200,589	12,894,560	53.28%	11,281,293	46.62%	1,613,267	12.51%
315.00 Accessory Electric Equipment	11,847,294	8,047,454	67.93%	6,513,914	54.98%	1,533,540	19.06%
316.00 Miscellaneous Power Plant Equipment	2,088,037	984,189	47.13%	871,828	41.75%	112,361	11.42%
<b>Total Coyote</b>	<b>\$ 174,224,658</b>	<b>\$ 106,830,653</b>	<b>61.32%</b>	<b>\$ 88,174,926</b>	<b>50.61%</b>	<b>\$ 18,655,727</b>	<b>17.46%</b>
<b>HYDRAULIC PRODUCTION</b>							
<b>Hoot Lake</b>							
331.00 Structures and Improvements	\$ 69,354	\$ 68,464	98.72%	\$ 64,297	92.71%	\$ 4,167	6.09%
332.00 Reservoirs, Dams and Waterways	297,674	263,550	88.54%	253,187	85.06%	10,363	3.93%
333.00 Water Wheels, Turbines & Generators	104,195	96,078	92.21%	91,315	87.64%	4,763	4.96%
334.00 Accessory Electric Equipment	34,651	30,936	89.28%	29,612	85.46%	1,324	4.28%
335.00 Miscellaneous Power Plant Equipment	48,801	19,088	39.11%	24,346	49.89%	(5,258)	-27.55%
<b>Total Hoot Lake</b>	<b>\$ 554,675</b>	<b>\$ 478,116</b>	<b>86.20%</b>	<b>\$ 462,757</b>	<b>83.43%</b>	<b>\$ 15,359</b>	<b>3.21%</b>

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description	Plant Investment	Recorded Reserve		Computed Reserve		Reserve Imbalance	
		Amount	Ratio	Amount	Ratio	Amount	Multiple
A	B	C	D=C/B	E	F=E/B	G=C-E	H=G/C
<b>Wright</b>							
331.00 Structures and Improvements	\$ 19,026	\$ 15,948	83.82%	\$ 16,259	85.46%	\$ (312)	-1.96%
332.00 Reservoirs, Dams and Waterways	892,711	403,382	45.19%	589,373	66.02%	(185,991)	-46.11%
333.00 Water Wheels, Turbines & Generators	545,392	434,726	79.71%	273,815	50.21%	160,911	37.01%
334.00 Accessory Electric Equipment	200,524	144,720	72.17%	150,196	74.90%	(5,476)	-3.78%
335.00 Miscellaneous Power Plant Equipment	115,218	64,477	55.96%	72,742	63.13%	(8,265)	-12.82%
<b>Total Wright</b>	<b>\$ 1,772,871</b>	<b>\$ 1,063,252</b>	<b>59.97%</b>	<b>\$ 1,102,385</b>	<b>62.18%</b>	<b>\$ (39,133)</b>	<b>-3.68%</b>
<b>Pisgah</b>							
331.00 Structures and Improvements	\$ 12,118	\$ 10,555	87.10%	\$ 10,721	88.47%	\$ (167)	-1.58%
332.00 Reservoirs, Dams and Waterways	376,297	218,808	58.15%	246,809	65.59%	(28,001)	-12.80%
333.00 Water Wheels, Turbines & Generators	159,732	102,261	64.02%	108,090	67.67%	(5,829)	-5.70%
334.00 Accessory Electric Equipment	99,812	69,042	69.17%	74,472	74.61%	(5,430)	-7.86%
335.00 Miscellaneous Power Plant Equipment	62,744	22,623	36.06%	31,113	49.59%	(8,490)	-37.53%
<b>Total Pisgah</b>	<b>\$ 710,703</b>	<b>\$ 423,289</b>	<b>59.56%</b>	<b>\$ 471,206</b>	<b>66.30%</b>	<b>\$ (47,917)</b>	<b>-11.32%</b>
<b>Dayton Hollow</b>							
331.00 Structures and Improvements	\$ 16,269	\$ 7,068	43.44%	\$ 8,960	55.08%	\$ (1,893)	-26.78%
332.00 Reservoirs, Dams and Waterways	1,291,391	577,416	44.71%	696,319	53.92%	(118,904)	-20.59%
333.00 Water Wheels, Turbines & Generators	226,751	146,371	64.55%	147,981	65.26%	(1,609)	-1.10%
334.00 Accessory Electric Equipment	193,342	145,591	75.30%	152,922	79.09%	(7,330)	-5.03%
335.00 Miscellaneous Power Plant Equipment	111,159	45,645	41.06%	55,468	49.90%	(9,824)	-21.52%
<b>Total Dayton Hollow</b>	<b>\$ 1,838,912</b>	<b>\$ 922,091</b>	<b>50.14%</b>	<b>\$ 1,061,651</b>	<b>57.73%</b>	<b>\$ (139,560)</b>	<b>-15.14%</b>
<b>Taplin Gorge</b>							
331.00 Structures and Improvements	\$ 35,140	\$ 33,413	95.09%	\$ 33,030	94.00%	\$ 383	1.15%
332.00 Reservoirs, Dams and Waterways	602,762	400,460	66.44%	429,637	71.28%	(29,177)	-7.29%
333.00 Water Wheels, Turbines & Generators	15,110	14,467	95.74%	14,287	94.55%	180	1.24%
334.00 Accessory Electric Equipment	58,695	46,026	78.42%	46,836	79.80%	(810)	-1.76%
335.00 Miscellaneous Power Plant Equipment	103,632	55,290	53.35%	64,050	61.81%	(8,760)	-15.84%
<b>Total Taplin Gorge</b>	<b>\$ 815,339</b>	<b>\$ 549,655</b>	<b>67.41%</b>	<b>\$ 587,840</b>	<b>72.10%</b>	<b>\$ (38,184)</b>	<b>-6.95%</b>

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
<b><u>Bemidji</u></b>								
331.00 Structures and Improvements	\$ 199,805	\$ 115,328	57.72%	\$ 132,076	66.10%	\$ (16,748)	-14.52%	
332.00 Reservoirs, Dams and Waterways	816,220	448,379	54.93%	534,316	65.46%	(85,936)	-19.17%	
333.00 Water Wheels, Turbines & Generators	322,687	221,619	68.68%	241,102	74.72%	(19,483)	-8.79%	
334.00 Accessory Electric Equipment	5,376	3,698	68.79%	4,989	92.80%	(1,290)	-34.89%	
335.00 Miscellaneous Power Plant Equipment	1,070	510	47.70%	646	60.34%	(135)	-26.50%	
<b>Total Bemidji</b>	<b>\$ 1,345,158</b>	<b>\$ 789,535</b>	<b>58.69%</b>	<b>\$ 913,128</b>	<b>67.88%</b>	<b>\$ (123,593)</b>	<b>-15.65%</b>	
<b>OTHER PRODUCTION</b>								
<b><u>Jamestown</u></b>								
341.00 Structures and Improvements	\$ 305,657	\$ 229,429	75.06%	\$ 170,953	55.93%	\$ 58,475	25.49%	
342.00 Fuel Holders and Accessories	415,964	248,399	59.72%	176,516	42.44%	71,883	28.94%	
343.00 Prime Movers	6,952,527	5,469,483	78.67%	4,211,120	60.57%	1,258,363	23.01%	
344.00 Generators								
345.00 Accessory Electric Equipment	227,590	147,214	64.68%	134,462	59.08%	12,752	8.66%	
346.00 Miscellaneous Power Plant Equipment	88,665	43,443	49.00%	30,467	34.36%	12,976	29.87%	
<b>Total Jamestown</b>	<b>\$ 7,990,403</b>	<b>\$ 6,137,968</b>	<b>76.82%</b>	<b>\$ 4,723,519</b>	<b>59.11%</b>	<b>\$ 1,414,449</b>	<b>23.04%</b>	
<b><u>Jamestown Unit 1</u></b>								
341.00 Structures and Improvements	\$ 280,804	\$ 215,331	76.68%	\$ 160,521	57.16%	\$ 54,810	25.45%	
342.00 Fuel Holders and Accessories	379,195	217,422	57.34%	157,241	41.47%	60,181	27.68%	
343.00 Prime Movers	3,030,866	2,253,467	74.35%	1,728,557	57.03%	524,910	23.29%	
344.00 Generators								
345.00 Accessory Electric Equipment	155,272	120,561	77.65%	112,252	72.29%	8,309	6.89%	
346.00 Miscellaneous Power Plant Equipment	85,462	39,937	46.73%	28,181	32.98%	11,756	29.44%	
<b>Total Jamestown Unit 1</b>	<b>\$ 3,931,599</b>	<b>\$ 2,846,718</b>	<b>72.41%</b>	<b>\$ 2,186,752</b>	<b>55.62%</b>	<b>\$ 659,966</b>	<b>23.18%</b>	
<b><u>Jamestown Unit 2</u></b>								
341.00 Structures and Improvements	\$ 24,853	\$ 14,098	56.73%	\$ 10,432	41.98%	\$ 3,666	26.00%	
342.00 Fuel Holders and Accessories	36,769	30,977	84.25%	19,275	52.42%	11,702	37.78%	
343.00 Prime Movers	3,921,661	3,216,016	82.01%	2,482,563	63.30%	733,453	22.81%	
344.00 Generators								
345.00 Accessory Electric Equipment	72,318	26,653	36.86%	22,211	30.71%	4,442	16.67%	
346.00 Miscellaneous Power Plant Equipment	3,203	3,506	109.46%	2,286	71.37%	1,220	34.80%	
<b>Total Jamestown Unit 2</b>	<b>\$ 4,058,804</b>	<b>\$ 3,291,250</b>	<b>81.09%</b>	<b>\$ 2,536,767</b>	<b>62.50%</b>	<b>\$ 754,483</b>	<b>22.92%</b>	

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
<b><u>Lake Preston</u></b>								
341.00 Structures and Improvements	\$ 229,834	\$ 189,358	82.39%	\$ 145,444	63.28%	\$ 43,913	23.19%	
342.00 Fuel Holders and Accessories	328,705	260,597	79.28%	200,891	61.12%	59,707	22.91%	
343.00 Prime Movers	3,282,642	2,688,159	81.89%	2,105,601	64.14%	582,558	21.67%	
344.00 Generators								
345.00 Accessory Electric Equipment	400,094	324,160	81.02%	253,113	63.26%	71,047	21.92%	
346.00 Miscellaneous Power Plant Equipment	21,607	19,791	91.60%	15,566	72.04%	4,225	21.35%	
<b>Total Lake Preston</b>	<b>\$ 4,262,882</b>	<b>\$ 3,482,065</b>	<b>81.68%</b>	<b>\$ 2,720,615</b>	<b>63.82%</b>	<b>\$ 761,450</b>	<b>21.87%</b>	
<b><u>Ashtabula Wind Generation</u></b>								
341.00 Structures and Improvements	\$ 3,248,290	\$ 1,042,289	32.09%	\$ 1,103,419	33.97%	\$ (61,130)	-5.87%	
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	106,668,515	32,461,781	30.43%	35,669,562	33.44%	(3,207,781)	-9.88%	
345.00 Accessory Electric Equipment	6,347,379	2,020,918	31.84%	2,140,298	33.72%	(119,380)	-5.91%	
346.00 Miscellaneous Power Plant Equipment	28,417	5,249	18.47%	6,055	21.31%	(806)	-15.36%	
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,292,601</b>	<b>\$ 35,530,237</b>	<b>30.55%</b>	<b>\$ 38,919,335</b>	<b>33.47%</b>	<b>\$ (3,389,098)</b>	<b>-9.54%</b>	
<b><u>Langdon Wind Generation</u></b>								
341.00 Structures and Improvements	\$ 2,484,069	\$ 889,004	35.79%	\$ 946,250	38.09%	\$ (57,245)	-6.44%	
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	69,262,415	23,499,195	33.93%	25,854,991	37.33%	(2,355,796)	-10.03%	
345.00 Accessory Electric Equipment	7,407,275	2,558,924	34.55%	2,725,250	36.79%	(166,326)	-6.50%	
346.00 Miscellaneous Power Plant Equipment	65,210	12,953	19.86%	14,315	21.95%	(1,362)	-10.51%	
<b>Total Langdon Wind Generation</b>	<b>\$ 79,218,969</b>	<b>\$ 26,960,076</b>	<b>34.03%</b>	<b>\$ 29,540,806</b>	<b>37.29%</b>	<b>\$ (2,580,729)</b>	<b>-9.57%</b>	
<b><u>Luverne Wind Generation</u></b>								
341.00 Structures and Improvements	\$ 2,266,581	\$ 655,793	28.93%	\$ 683,390	30.15%	\$ (27,597)	-4.21%	
342.00 Fuel Holders and Accessories								
343.00 Prime Movers								
344.00 Generators	65,670,425	18,250,164	27.79%	19,526,550	29.73%	(1,276,386)	-6.99%	
345.00 Accessory Electric Equipment	4,863,837	1,405,508	28.90%	1,465,041	30.12%	(59,532)	-4.24%	
346.00 Miscellaneous Power Plant Equipment	74,045	11,421	15.42%	12,765	17.24%	(1,344)	-11.77%	
<b>Total Luverne Wind Generation</b>	<b>\$ 72,874,888</b>	<b>\$ 20,322,886</b>	<b>27.89%</b>	<b>\$ 21,687,745</b>	<b>29.76%</b>	<b>\$ (1,364,860)</b>	<b>-6.72%</b>	

**OTTER TAIL POWER COMPANY**

Depreciation Reserve Summary  
Vintage Group Procedure  
December 31, 2016

Statement C

Account Description A	Plant Investment B	Recorded Reserve		Computed Reserve		Reserve Imbalance		
		Amount C	Ratio D=C/B	Amount E	Ratio F=E/B	Amount G=C-E	Multiple H=G/C	
<b>Solway Combustion Turbine</b>								
341.00 Structures and Improvements	\$ 4,411,779	\$ 1,685,967	38.22%	\$ 1,624,973	36.83%	\$ 60,995	3.62%	
342.00 Fuel Holders and Accessories	1,003,596	392,459	39.11%	379,169	37.78%	13,290	3.39%	
343.00 Prime Movers	21,499,352	7,985,522	37.14%	7,906,939	36.78%	78,583	0.98%	
344.00 Generators								
345.00 Accessory Electric Equipment	1,305,578	454,592	34.82%	465,775	35.68%	(11,183)	-2.46%	
346.00 Miscellaneous Power Plant Equipment	350,326	118,832	33.92%	114,940	32.81%	3,892	3.28%	
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,570,631</b>	<b>\$ 10,637,373</b>	<b>37.23%</b>	<b>\$ 10,491,796</b>	<b>36.72%</b>	<b>\$ 145,577</b>	<b>1.37%</b>	
<b>Fergus Falls Control Center</b>								
341.00 Structures and Improvements	\$ -	\$ -		\$ -		\$ -		
342.00 Fuel Holders and Accessories								
343.00 Prime Movers	591,638	352,092	59.51%	362,620	61.29%	(10,528)	-2.99%	
344.00 Generators								
345.00 Accessory Electric Equipment								
346.00 Miscellaneous Power Plant Equipment								
<b>Total Fergus Falls Control Center</b>	<b>\$ 591,638</b>	<b>\$ 352,092</b>	<b>59.51%</b>	<b>\$ 362,620</b>	<b>61.29%</b>	<b>\$ (10,528)</b>	<b>-2.99%</b>	

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D	Total I=G+H	
<b>STEAM PRODUCTION</b>									
311.00 Structures and Improvements	\$ 127,520,856	\$ 2,072,369	\$ 125,448,487	-11.8%	-6.9%	\$ (245,243)	\$ (8,668,338)	\$ (8,913,582)	-7.0%
312.00 Boiler Plant Equipment	390,550,060	65,166,566	325,383,494	-11.9%	-7.5%	(7,724,808)	(24,418,309)	(32,143,117)	-8.2%
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049		6,695,049						
314.00 Turbogenerator Units	82,247,608	16,348,809	65,898,799	19.1%	-8.0%	3,118,105	(5,303,698)	(2,185,593)	-2.7%
315.00 Accessory Electric Equipment	38,542,621	1,866,381	36,676,240	-10.1%	-7.2%	(188,081)	(2,645,021)	(2,833,102)	-7.4%
316.00 Miscellaneous Power Plant Equipment	9,020,886	2,586,341	6,434,545	8.0%	-7.7%	207,817	(494,487)	(286,670)	-3.2%
<b>Total Steam Production Plant</b>	<b>\$ 654,576,880</b>	<b>\$ 88,040,466</b>	<b>\$ 566,536,414</b>	<b>-5.5%</b>	<b>-7.3%</b>	<b>\$ (4,832,210)</b>	<b>\$ (41,529,853)</b>	<b>\$ (46,362,064)</b>	<b>-7.1%</b>
<b>HYDRAULIC PRODUCTION</b>									
331.00 Structures and Improvements	\$ 363,124	\$ 11,412	\$ 351,712	-2.1%		\$ (240)	\$ -	\$ (240)	-0.1%
332.00 Reservoirs, Dams and Waterways	4,361,532	84,477	4,277,055	86.0%		72,610		72,610	1.7%
333.00 Water Wheels, Turbines & Generators	1,397,890	24,023	1,373,867	-438.0%		(105,221)		(105,221)	-7.5%
334.00 Accessory Electric Equipment	609,547	17,147	592,400	-8.5%		(1,463)		(1,463)	-0.2%
335.00 Miscellaneous Power Plant Equipment	512,735	70,111	442,624	-3.4%		(2,367)		(2,367)	-0.5%
<b>Total Hydraulic Production Plant</b>	<b>\$ 7,244,828</b>	<b>\$ 207,170</b>	<b>\$ 7,037,658</b>	<b>-17.7%</b>		<b>\$ (36,681)</b>	<b>\$ -</b>	<b>\$ (36,681)</b>	<b>-0.5%</b>
<b>OTHER PRODUCTION</b>									
341.00 Structures and Improvements	\$ 12,959,338	\$ 13,128	\$ 12,946,210	-6.7%	-1.1%	\$ (876)	\$ (148,061)	\$ (148,937)	-1.1%
342.00 Fuel Holders and Accessories	1,970,922	222,657	1,748,265	-11.1%	-1.1%	(24,683)	(19,874)	(44,557)	-2.3%
343.00 Prime Movers	33,563,831	1,237,672	32,326,159	-18.0%	-0.9%	(222,746)	(289,152)	(511,897)	-1.5%
344.00 Generators	245,413,170	3,811,815	241,601,355	-1.0%	-1.5%	(38,137)	(3,563,104)	(3,601,242)	-1.5%
345.00 Accessory Electric Equipment	20,654,775	103,022	20,551,753	7.4%	-1.4%	7,612	(297,214)	(289,602)	-1.4%
346.00 Miscellaneous Power Plant Equipment	682,303	54,033	628,270	25.5%	-1.0%	13,800	(6,160)	7,640	1.1%
<b>Total Other Production Plant</b>	<b>\$ 315,244,339</b>	<b>\$ 5,442,327</b>	<b>\$ 309,802,012</b>	<b>-4.9%</b>	<b>-1.4%</b>	<b>\$ (265,030)</b>	<b>\$ (4,323,564)</b>	<b>\$ (4,588,594)</b>	<b>-1.5%</b>
<b>TRANSMISSION PLANT</b>									
353.00 Station Equipment	\$ 104,705,710	\$ 9,568,591	\$ 95,137,119	42.8%	-5.0%	\$ 4,095,357	\$ (4,756,856)	\$ (661,499)	-0.6%
354.00 Towers and Fixtures	81,106,418		81,106,418		-10.0%		(8,110,642)	(8,110,642)	-10.0%
355.00 Poles and Fixtures	118,151,503	5,465,787	112,685,716	47.9%	-50.0%	2,618,112	(56,342,858)	(53,724,746)	-45.5%
356.00 Overhead Conductors and Devices	112,799,285	5,627,438	107,171,847	43.8%	-30.0%	2,464,818	(32,151,554)	(29,686,736)	-26.3%
358.00 Underground Conductors and Devices	77,956	495	77,461	-368.9%	-5.0%	(1,826)	(3,873)	(5,699)	-7.3%
<b>Total Transmission Plant</b>	<b>\$ 416,840,872</b>	<b>\$ 20,662,311</b>	<b>\$ 396,178,561</b>	<b>44.4%</b>	<b>-25.6%</b>	<b>\$ 9,176,461</b>	<b>\$ (101,365,783)</b>	<b>\$ (92,189,322)</b>	<b>-22.1%</b>
<b>DISTRIBUTION PLANT</b>									
362.00 Station Equipment	\$ 98,119,251	\$ 19,995,555	\$ 78,123,696	15.7%	5.0%	\$ 3,139,302	\$ 3,906,185	\$ 7,045,487	7.2%
364.00 Poles, Towers and Fixtures	74,100,711	3,250,895	70,849,816	-110.4%	-75.0%	(3,588,988)	(53,137,362)	(56,726,350)	-76.6%
365.00 Overhead Conductors and Devices	53,758,326	3,915,627	49,842,699	-76.0%	-100.0%	(2,975,877)	(49,842,699)	(52,818,576)	-98.3%
367.00 Underground Conductors and Devices	79,516,638	4,817,549	74,699,089	-1.2%	-5.0%	(57,811)	(3,734,954)	(3,792,765)	-4.8%
368.00 Line Transformers	106,102,186	12,388,759	93,713,427	36.2%	50.0%	4,484,731	46,856,714	51,341,444	48.4%
369.00 Overhead Services	13,746,929	755,982	12,990,947	-255.4%	-150.0%	(1,930,778)	(19,486,421)	(21,417,199)	-155.8%
369.10 Underground Services	41,531,454	543,236	40,988,218	-40.1%	-20.0%	(217,838)	(8,197,644)	(8,415,481)	-20.3%
370.00 Meters	31,637,844	6,805,221	24,832,623	0.7%		47,637		47,637	0.2%

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=F*D	Total I=G+H	
370.10 Load Management Switches	10,873,289	2,207,778	8,665,511						
371.20 Other Private Lighting	7,991,829	3,204,964	4,786,865	7.7%	10.0%	246,782	478,687	725,469	9.1%
373.00 Street Lighting and Signal Systems	9,159,505	3,695,501	5,464,004	-2.2%	-5.0%	(81,301)	(273,200)	(354,501)	-3.9%
<b>Total Distribution Plant</b>	<b>\$ 526,537,962</b>	<b>\$ 61,581,067</b>	<b>\$ 464,956,895</b>	<b>-1.5%</b>	<b>-17.9%</b>	<b>\$ (934,140)</b>	<b>\$ (83,430,695)</b>	<b>\$ (84,364,835)</b>	<b>-16.0%</b>
<b>GENERAL PLANT</b>									
<b>Depreciable</b>									
390.00 Structures and Improvements	\$ 23,971,876	\$ 4,081,803	\$ 19,890,073	29.5%	10.0%	\$ 1,204,132	\$ 1,989,007	\$ 3,193,139	13.3%
390.10 General Office Buildings	6,971,368	1,252,410	5,718,958	-12.9%	49.6%	(161,561)	2,836,603	2,675,042	38.4%
390.20 Fleet Service Center Building	1,035,431	97,753	937,678	-47.0%	33.6%	(45,944)	315,060	269,116	26.0%
390.30 Central Stores Building	4,114,104	86,556	4,027,548	-2.2%	92.6%	(1,904)	3,729,509	3,727,605	90.6%
396.00 Power Operated Equipment	1,200,333	584,285	616,048	21.5%	20.0%	125,621	123,210	248,831	20.7%
397.40 Communication Towers	1,998,548	109,786	1,888,762	13.2%	5.0%	14,492	94,438	108,930	5.5%
<b>Total Depreciable</b>	<b>\$ 39,291,660</b>	<b>\$ 6,212,593</b>	<b>\$ 33,079,067</b>	<b>18.3%</b>	<b>27.5%</b>	<b>\$ 1,134,836</b>	<b>\$ 9,087,827</b>	<b>\$ 10,222,663</b>	<b>26.0%</b>
<b>Amortizable</b>									
391.00 Office Furniture	\$ 6,121,482	\$ 4,944,165	\$ 1,177,317			\$ -	\$ -	\$ -	
391.10 Office Equipment	3,004,829	2,197,701	807,128						
391.20 Duplicating Equipment	2,195,365	1,907,669	287,696						
391.50 Computer Systems	14,044,903	11,367,608	2,677,295						
391.60 Computer Related Equipment	11,160,143	10,215,452	944,691						
394.00 Tools, Shop and Garage Equipment	7,808,433	3,611,519	3,996,914						
394.20 Automated Meter Reading Equipment	2,097,424	1,479,854	617,570						
397.00 Communication Equipment	2,141,639	1,322,992	818,647						
397.10 Radio Telecommunication Equipment	6,541,973	5,357,495	1,184,478						
397.20 Microwave Equipment	7,831,382	3,382,934	4,448,448						
397.30 Radio Load Control Equipment	1,771,492	1,453,633	317,859						
<b>Total Amortizable</b>	<b>\$ 64,519,065</b>	<b>\$ 47,241,022</b>	<b>\$ 17,278,043</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Total General Plant</b>	<b>\$ 103,810,725</b>	<b>\$ 53,453,615</b>	<b>\$ 50,357,110</b>	<b>2.1%</b>	<b>18.0%</b>	<b>\$ 1,134,836</b>	<b>\$ 9,087,827</b>	<b>\$ 10,222,663</b>	<b>9.8%</b>
<b>TOTAL UTILITY</b>	<b>\$ 2,024,255,606</b>	<b>\$ 229,386,956</b>	<b>\$ 1,794,868,650</b>	<b>4.0%</b>	<b>-12.3%</b>	<b>\$ 9,109,759</b>	<b>\$ (221,562,068)</b>	<b>\$ (217,318,833)</b>	<b>-10.7%</b>
<b>STEAM PRODUCTION</b>									
<b>Big Stone</b>									
311.00 Structures and Improvements	\$ 86,177,085	\$ 1,068,600	\$ 85,108,485	-10.3%	-6.0%	\$ (110,066)	\$ (5,106,509)	\$ (5,216,575)	-6.1%
312.00 Boiler Plant Equipment	229,224,878	43,789,503	185,435,375	-12.1%	-6.0%	(5,298,530)	(11,126,123)	(16,424,652)	-7.2%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	36,713,754	6,556,989	30,156,765	15.6%	-6.0%	1,023,202	(1,809,286)	(786,084)	-2.1%
315.00 Accessory Electric Equipment	22,965,058	902,785	22,062,273	-15.8%	-6.0%	(142,640)	(1,323,736)	(1,466,376)	-6.4%
316.00 Miscellaneous Power Plant Equipment	4,448,494	1,260,070	3,188,424	2.5%	-5.6%	31,502	(178,552)	(147,050)	-3.3%
<b>Total Big Stone</b>	<b>\$ 379,529,269</b>	<b>\$ 53,579,947</b>	<b>\$ 325,949,322</b>	<b>-8.4%</b>	<b>-6.0%</b>	<b>\$ (4,496,532)</b>	<b>\$ (19,544,206)</b>	<b>\$ (24,040,737)</b>	<b>-6.3%</b>

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Total I=J+H	Average Rate J/I*100
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*F	Future H=F*F		
<b>Hoot Lake Units 2 and 3</b>									
311.00 Structures and Improvements	\$ 6,322,829	\$ 238,662	\$ 6,084,167	-133.9%	-13.5%	\$ (319,568)	\$ (821,363)	\$ (1,140,931)	-18.0%
312.00 Boiler Plant Equipment	45,098,010	6,982,794	38,115,216	-39.9%	-13.5%	(2,786,135)	(5,145,554)	(7,931,689)	-17.6%
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049		6,695,049						
314.00 Turbogenerator Units	13,106,070	1,562,625	11,543,445	-2.3%	-13.5%	(35,940)	(1,558,385)	(1,594,305)	-12.2%
315.00 Accessory Electric Equipment	2,802,942	36,269	2,766,673	-148.3%	-13.5%	(53,787)	(373,501)	(427,288)	-15.2%
316.00 Miscellaneous Power Plant Equipment	1,303,576	145,692	1,157,884	48.9%	-13.4%	71,243	(155,156)	(83,913)	-6.4%
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 75,328,476</b>	<b>\$ 8,966,042</b>	<b>\$ 66,362,434</b>	<b>-34.8%</b>	<b>-12.1%</b>	<b>\$ (3,124,187)</b>	<b>\$ (8,053,939)</b>	<b>\$ (11,178,126)</b>	<b>-14.8%</b>
<b>Coyote</b>									
311.00 Structures and Improvements	\$ 35,020,942	\$ 765,107	\$ 34,255,835	24.1%	-8.0%	\$ 184,391	\$ (2,740,467)	\$ (2,556,076)	-7.3%
312.00 Boiler Plant Equipment	116,227,172	14,394,269	101,832,903	2.5%	-8.0%	359,857	(8,146,632)	(7,786,776)	-6.7%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	32,427,784	8,227,195	24,200,589	25.9%	-8.0%	2,130,844	(1,936,047)	194,796	0.6%
315.00 Accessory Electric Equipment	12,774,621	927,327	11,847,294	0.9%	-8.0%	8,346	(947,784)	(939,438)	-7.4%
316.00 Miscellaneous Power Plant Equipment	3,268,616	1,180,579	2,088,037	8.9%	-7.7%	105,072	(160,779)	(55,707)	-1.7%
<b>Total Coyote</b>	<b>\$ 199,719,135</b>	<b>\$ 25,494,477</b>	<b>\$ 174,224,658</b>	<b>10.9%</b>	<b>-8.0%</b>	<b>\$ 2,788,508</b>	<b>\$ (13,931,709)</b>	<b>\$ (11,143,200)</b>	<b>-5.6%</b>
<b>HYDRAULIC PRODUCTION</b>									
<b>Hoot Lake</b>									
331.00 Structures and Improvements	\$ 69,354	\$ -	\$ 69,354			\$ -	\$ -	\$ -	-0.1%
332.00 Reservoirs, Dams and Waterways	305,758	8,084	297,674	-2.5%		(202)		(202)	-0.1%
333.00 Water Wheels, Turbines & Generators	104,195		104,195						
334.00 Accessory Electric Equipment	34,651		34,651						
335.00 Miscellaneous Power Plant Equipment	48,801		48,801						
<b>Total Hoot Lake</b>	<b>\$ 562,759</b>	<b>\$ 8,084</b>	<b>\$ 554,675</b>	<b>-2.5%</b>		<b>\$ (202)</b>	<b>\$ -</b>	<b>\$ (202)</b>	
<b>Wright</b>									
331.00 Structures and Improvements	\$ 19,026	\$ -	\$ 19,026			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	901,305	8,594	892,711	2843.7%		244,388		244,388	27.1%
333.00 Water Wheels, Turbines & Generators	552,421	7,029	545,392	-284.6%		(20,005)		(20,005)	-3.6%
334.00 Accessory Electric Equipment	200,524		200,524						
335.00 Miscellaneous Power Plant Equipment	127,250	12,032	115,218	-7.9%		(951)		(951)	-0.7%
<b>Total Wright</b>	<b>\$ 1,800,526</b>	<b>\$ 27,655</b>	<b>\$ 1,772,871</b>	<b>807.9%</b>		<b>\$ 223,433</b>	<b>\$ -</b>	<b>\$ 223,433</b>	<b>12.4%</b>
<b>Pisgah</b>									
331.00 Structures and Improvements	\$ 12,118	\$ -	\$ 12,118			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	376,297		376,297						
333.00 Water Wheels, Turbines & Generators	161,200	1,468	159,732	-1645.1%		(24,150)		(24,150)	-15.0%
334.00 Accessory Electric Equipment	111,257	11,445	99,812	-2.5%		(286)		(286)	-0.3%
335.00 Miscellaneous Power Plant Equipment	84,563	21,819	62,744	-2.5%		(545)		(545)	-0.6%
<b>Total Pisgah</b>	<b>\$ 745,435</b>	<b>\$ 34,732</b>	<b>\$ 710,703</b>	<b>-71.9%</b>		<b>\$ (24,982)</b>	<b>\$ -</b>	<b>\$ (24,982)</b>	<b>-3.4%</b>

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description	Plant Investment			Salvage Rate		Net Salvage		Total	Average Rate
	Additions	Retirements	Survivors	Realized	Future	Realized	Future		
A	B	C	D=B-C	E	F	G=E*F	H=F*D	I=G+H	J=I/B
<b>Dayton Hollow</b>									
331.00 Structures and Improvements	\$ 16,269	\$ -	\$ 16,269			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	1,335,655	44,264	1,291,391	-309.1%		(136,820)		(136,820)	-10.2%
333.00 Water Wheels, Turbines & Generators	239,295	12,544	226,751	-195.3%		(24,498)		(24,498)	-10.2%
334.00 Accessory Electric Equipment	193,849	507	193,342	41.7%		211		211	0.1%
335.00 Miscellaneous Power Plant Equipment	119,243	8,084	111,159	-2.5%		(202)		(202)	-0.2%
<b>Total Dayton Hollow</b>	<b>\$ 1,904,311</b>	<b>\$ 65,399</b>	<b>\$ 1,838,912</b>	<b>-246.7%</b>		<b>\$ (161,309)</b>	<b>\$ -</b>	<b>\$ (161,309)</b>	<b>-8.5%</b>
<b>Taplin Gorge</b>									
331.00 Structures and Improvements	\$ 35,140	\$ -	\$ 35,140			\$ -	\$ -	\$ -	
332.00 Reservoirs, Dams and Waterways	620,762	18,000	602,762	-166.7%		(30,006)		(30,006)	-4.8%
333.00 Water Wheels, Turbines & Generators	15,110		15,110						
334.00 Accessory Electric Equipment	62,427	3,732	58,695	-4.7%		(175)		(175)	-0.3%
335.00 Miscellaneous Power Plant Equipment	130,503	26,871	103,632	-2.0%		(537)		(537)	-0.4%
<b>Total Taplin Gorge</b>	<b>\$ 863,942</b>	<b>\$ 48,603</b>	<b>\$ 815,339</b>	<b>-63.2%</b>		<b>\$ (30,719)</b>	<b>\$ -</b>	<b>\$ (30,719)</b>	<b>-3.6%</b>
<b>Bemidji</b>									
331.00 Structures and Improvements	\$ 211,217	\$ 11,412	\$ 199,805	-2.1%		(240)	\$ -	(240)	-0.1%
332.00 Reservoirs, Dams and Waterways	821,755	5,535	816,220	-85.6%		(4,749)		(4,749)	-0.6%
333.00 Water Wheels, Turbines & Generators	325,669	2,982	322,687	-1226.3%		(36,568)		(36,568)	-11.2%
334.00 Accessory Electric Equipment	6,839	1,463	5,376	-82.9%		(1,213)		(1,213)	-17.7%
335.00 Miscellaneous Power Plant Equipment	2,375	1,305	1,070	-10.1%		(132)		(132)	-5.5%
<b>Total Bemidji</b>	<b>\$ 1,367,855</b>	<b>\$ 22,697</b>	<b>\$ 1,345,158</b>	<b>-189.0%</b>		<b>\$ (42,902)</b>	<b>\$ -</b>	<b>\$ (42,902)</b>	<b>-3.1%</b>
<b>OTHER PRODUCTION</b>									
<b>Jamestown</b>									
341.00 Structures and Improvements	\$ 310,786	\$ 5,129	\$ 305,657	-9.9%	-1.6%	(508)	(4,891)	(5,399)	-1.7%
342.00 Fuel Holders and Accessories	593,813	177,849	415,964	-12.6%	-1.6%	(22,488)	(8,655)	(29,143)	-4.9%
343.00 Prime Movers	7,502,045	549,518	6,952,527	-25.9%	-1.6%	(142,517)	(111,240)	(253,757)	-3.4%
344.00 Generators									
345.00 Accessory Electric Equipment	263,937	36,347	227,590	22.6%	-1.6%	8,205	(3,641)	4,564	1.7%
346.00 Miscellaneous Power Plant Equipment	139,078	50,413	88,665	22.2%	-1.6%	11,201	(1,419)	9,782	7.0%
<b>Total Jamestown</b>	<b>\$ 8,809,659</b>	<b>\$ 819,256</b>	<b>\$ 7,990,403</b>	<b>-17.8%</b>	<b>-1.6%</b>	<b>\$ (146,106)</b>	<b>\$ (127,846)</b>	<b>\$ (273,952)</b>	<b>-3.1%</b>
<b>Jamestown Unit 1</b>									
341.00 Structures and Improvements	\$ 285,933	\$ 5,129	\$ 280,804	-9.9%	-1.6%	(508)	(4,493)	(5,001)	-1.7%
342.00 Fuel Holders and Accessories	407,203	28,008	379,195	-51.4%	-1.6%	(14,396)	(6,067)	(20,463)	-5.0%
343.00 Prime Movers	3,322,728	291,862	3,030,866	-35.5%	-1.6%	(103,611)	(48,494)	(152,105)	-4.6%
344.00 Generators									
345.00 Accessory Electric Equipment	157,825	2,553	155,272	19.6%	-1.6%	500	(2,484)	(1,984)	-1.3%
346.00 Miscellaneous Power Plant Equipment	112,036	26,574	85,462	26.9%	-1.6%	7,148	(1,367)	5,781	5.2%
<b>Total Jamestown Unit 1</b>	<b>\$ 4,285,725</b>	<b>\$ 354,126</b>	<b>\$ 3,931,599</b>	<b>-31.3%</b>	<b>-1.6%</b>	<b>\$ (110,866)</b>	<b>\$ (62,906)</b>	<b>\$ (173,772)</b>	<b>-4.1%</b>

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage			Average Rate J/I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*C	Future H=FD	Total I=G+H	
<b>Jamestown Unit 2</b>									
341.00 Structures and Improvements	\$ 24,853	\$ -	\$ 24,853		-1.6%	\$ -	\$ (398)	\$ (398)	-1.6%
342.00 Fuel Holders and Accessories	186,610	149,841	36,769	-5.4%	-1.6%	(8,091)	(588)	(8,680)	-4.7%
343.00 Prime Movers	4,179,317	257,656	3,921,661	-15.1%	-1.6%	(38,906)	(62,747)	(101,653)	-2.4%
344.00 Generators									
345.00 Accessory Electric Equipment	106,112	33,794	72,318	22.8%	-1.6%	7,705	(1,157)	6,548	6.2%
346.00 Miscellaneous Power Plant Equipment	27,042	23,839	3,203	17.0%	-1.6%	4,053	(51)	4,001	14.8%
<b>Total Jamestown Unit 2</b>	<b>\$ 4,523,934</b>	<b>\$ 465,130</b>	<b>\$ 4,058,804</b>	<b>-7.6%</b>	<b>-1.6%</b>	<b>\$ (35,240)</b>	<b>\$ (64,941)</b>	<b>\$ (100,181)</b>	<b>-2.2%</b>
<b>Lake Preston</b>									
341.00 Structures and Improvements	\$ 229,833	\$ (1)	\$ 229,834		-2.8%	\$ -	\$ (6,435)	\$ (6,435)	-2.8%
342.00 Fuel Holders and Accessories	373,513	44,808	328,705	-4.9%	-2.8%	(2,196)	(9,204)	(11,399)	-3.1%
343.00 Prime Movers	3,514,567	231,925	3,282,642	-7.6%	-2.8%	(17,626)	(91,914)	(109,540)	-3.1%
344.00 Generators									
345.00 Accessory Electric Equipment	418,651	18,557	400,094	-3.2%	-2.8%	(594)	(11,203)	(11,796)	-2.8%
346.00 Miscellaneous Power Plant Equipment	25,227	3,620	21,607	71.8%	-2.8%	2,599	(605)	1,994	7.9%
<b>Total Lake Preston</b>	<b>\$ 4,561,791</b>	<b>\$ 298,909</b>	<b>\$ 4,262,882</b>	<b>-6.0%</b>	<b>-2.8%</b>	<b>\$ (17,817)</b>	<b>\$ (119,361)</b>	<b>\$ (137,177)</b>	<b>-3.0%</b>
<b>Ashtabula Wind Generation</b>									
341.00 Structures and Improvements	\$ 3,248,290	\$ -	\$ 3,248,290		-1.2%	\$ -	\$ (38,979)	\$ (38,979)	-1.2%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	108,547,275	1,878,760	106,668,515		-1.2%		(1,280,022)	(1,280,022)	-1.2%
345.00 Accessory Electric Equipment	6,347,379		6,347,379		-1.2%		(76,169)	(76,169)	-1.2%
346.00 Miscellaneous Power Plant Equipment	28,417		28,417		-1.2%		(341)	(341)	-1.2%
<b>Total Ashtabula Wind Generation</b>	<b>\$ 118,171,361</b>	<b>\$ 1,878,760</b>	<b>\$ 116,292,601</b>		<b>-1.2%</b>	<b>\$ -</b>	<b>\$ (1,395,511)</b>	<b>\$ (1,395,511)</b>	<b>-1.2%</b>
<b>Langdon Wind Generation</b>									
341.00 Structures and Improvements	\$ 2,484,069	\$ -	\$ 2,484,069		-1.4%	\$ -	\$ (34,777)	\$ (34,777)	-1.4%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	70,526,392	1,263,977	69,262,415		-1.4%		(969,674)	(969,674)	-1.4%
345.00 Accessory Electric Equipment	7,407,275		7,407,275		-1.4%		(103,702)	(103,702)	-1.4%
346.00 Miscellaneous Power Plant Equipment	65,210		65,210		-1.4%		(913)	(913)	-1.4%
<b>Total Langdon Wind Generation</b>	<b>\$ 80,482,946</b>	<b>\$ 1,263,977</b>	<b>\$ 79,218,969</b>		<b>-1.4%</b>	<b>\$ -</b>	<b>\$ (1,109,066)</b>	<b>\$ (1,109,066)</b>	<b>-1.4%</b>
<b>Luverne Wind Generation</b>									
341.00 Structures and Improvements	\$ 2,266,581	\$ -	\$ 2,266,581		-2.0%	\$ -	\$ (45,332)	\$ (45,332)	-2.0%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	66,339,503	669,078	65,670,425	-5.7%	-2.0%	(38,137)	(1,313,409)	(1,351,546)	-2.0%
345.00 Accessory Electric Equipment	4,863,837		4,863,837		-2.0%		(97,277)	(97,277)	-2.0%
346.00 Miscellaneous Power Plant Equipment	74,045		74,045		-2.0%		(1,481)	(1,481)	-2.0%
<b>Total Luverne Wind Generation</b>	<b>\$ 73,543,966</b>	<b>\$ 669,078</b>	<b>\$ 72,874,888</b>	<b>-5.7%</b>	<b>-2.0%</b>	<b>\$ (38,137)</b>	<b>\$ (1,457,498)</b>	<b>\$ (1,495,635)</b>	<b>-2.0%</b>

**OTTER TAIL POWER COMPANY**  
Average Net Salvage

Statement D

Account Description A	Plant Investment			Salvage Rate		Net Salvage		Total I=G+H	Average Rate J=I/B
	Additions B	Retirements C	Survivors D=B-C	Realized E	Future F	Realized G=E*F	Future H=F*D		
<b>Solway Combustion Turbine</b>									
341.00 Structures and Improvements	\$ 4,419,779	\$ 8,000	\$ 4,411,779	-4.6%	-0.4%	\$ (368)	\$ (17,647)	\$ (18,015)	-0.4%
342.00 Fuel Holders and Accessories	1,003,596		1,003,596		-0.4%		(4,014)	(4,014)	-0.4%
343.00 Prime Movers	21,896,245	396,893	21,499,352	-16.7%	-0.4%	(66,281)	(85,997)	(152,279)	-0.7%
344.00 Generators									
345.00 Accessory Electric Equipment	1,353,696	48,118	1,305,578		-0.4%		(5,222)	(5,222)	-0.4%
346.00 Miscellaneous Power Plant Equipment	350,326		350,326		-0.4%		(1,401)	(1,401)	-0.4%
<b>Total Solway Combustion Turbine</b>	<b>\$ 29,023,642</b>	<b>\$ 453,011</b>	<b>\$ 28,570,631</b>	<b>-14.7%</b>	<b>-0.4%</b>	<b>\$ (66,649)</b>	<b>\$ (114,283)</b>	<b>\$ (180,932)</b>	<b>-0.6%</b>
<b>Fergus Falls Control Center</b>									
341.00 Structures and Improvements	\$ -	\$ -	\$ -			\$ -	\$ -	\$ -	
342.00 Fuel Holders and Accessories									
343.00 Prime Movers	650,974	59,336	591,638	6.2%		3,679		3,679	0.6%
344.00 Generators									
345.00 Accessory Electric Equipment									
346.00 Miscellaneous Power Plant Equipment									
<b>Total Fergus Falls Control Center</b>	<b>\$ 650,974</b>	<b>\$ 59,336</b>	<b>\$ 591,638</b>	<b>6.2%</b>		<b>\$ 3,679</b>	<b>\$ -</b>	<b>\$ 3,679</b>	<b>0.6%</b>

**OTTER TAIL POWER COMPANY**

Statement E

Future Net Salvage  
Steam and Other Production

Account Description A	12/31/16 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<b>STEAM PRODUCTION</b>									
<b>Big Stone</b>									
311.00 Structures and Improvements	\$ 85,108,485	\$ 6,347,551	\$ 78,760,934	-5.0%	-6.1%	\$ (317,378)	\$ (4,783,530)	\$ (5,100,907)	-6.0%
312.00 Boiler Plant Equipment	185,435,375	13,791,854	171,643,521	-5.0%	-6.1%	(689,593)	(10,424,736)	(11,114,328)	-6.0%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	30,154,765	2,305,311	27,849,454	-5.0%	-6.1%	(115,266)	(1,691,431)	(1,806,697)	-6.0%
315.00 Accessory Electric Equipment	22,062,273	1,661,081	20,401,192	-5.0%	-6.1%	(83,054)	(1,239,062)	(1,322,116)	-6.0%
316.00 Miscellaneous Power Plant Equipment	3,188,424	243,964	2,944,460		-6.1%		(178,831)	(178,831)	-5.6%
<b>Total Big Stone</b>	<b>\$ 325,949,322</b>	<b>\$ 24,349,761</b>	<b>\$ 301,599,561</b>	<b>-4.9%</b>	<b>-6.1%</b>	<b>\$ (1,205,290)</b>	<b>\$ (18,317,590)</b>	<b>\$ (19,522,880)</b>	<b>-6.0%</b>
<b>Hoot Lake Units 2 and 3</b>									
311.00 Structures and Improvements	\$ 6,084,167	\$ 69,035	\$ 6,015,132	-5.0%	-13.6%	\$ (3,452)	\$ (816,857)	\$ (820,309)	-13.5%
312.00 Boiler Plant Equipment	38,115,216	403,846	37,711,370	-5.0%	-13.6%	(20,192)	(5,121,219)	(5,141,411)	-13.5%
312.10 Boiler Plant Equipment - Ash Ponds	6,695,049	578,539	6,116,510						
314.00 Turbogenerator Units	11,543,445	127,262	11,416,183	-5.0%	-13.6%	(6,363)	(1,550,322)	(1,556,685)	-13.5%
315.00 Accessory Electric Equipment	2,766,673	31,149	2,735,524	-5.0%	-13.6%	(1,557)	(371,485)	(373,043)	-13.5%
316.00 Miscellaneous Power Plant Equipment	1,157,884	12,063	1,145,821		-13.6%		(155,603)	(155,603)	-13.4%
<b>Total Hoot Lake Units 2 and 3</b>	<b>\$ 66,362,434</b>	<b>\$ 1,221,894</b>	<b>\$ 65,140,540</b>	<b>-2.6%</b>	<b>-13.6%</b>	<b>\$ (31,565)</b>	<b>\$ (8,015,486)</b>	<b>\$ (8,047,050)</b>	<b>-12.1%</b>
<b>Coyote</b>									
311.00 Structures and Improvements	\$ 34,255,835	\$ 2,233,210	\$ 32,022,625	-5.0%	-8.2%	\$ (111,661)	\$ (2,623,964)	\$ (2,735,625)	-8.0%
312.00 Boiler Plant Equipment	101,832,903	6,546,359	95,286,544	-5.0%	-8.2%	(327,318)	(7,807,870)	(8,135,188)	-8.0%
312.10 Boiler Plant Equipment - Ash Ponds									
314.00 Turbogenerator Units	24,200,589	1,534,982	22,665,607	-5.0%	-8.2%	(76,749)	(1,857,241)	(1,933,991)	-8.0%
315.00 Accessory Electric Equipment	11,847,294	768,053	11,079,241	-5.0%	-8.2%	(38,403)	(907,844)	(946,246)	-8.0%
316.00 Miscellaneous Power Plant Equipment	2,088,037	131,959	1,956,078		-8.2%		(160,283)	(160,283)	-7.7%
<b>Total Coyote</b>	<b>\$ 174,224,658</b>	<b>\$ 11,214,564</b>	<b>\$ 163,010,094</b>	<b>-4.9%</b>	<b>-8.2%</b>	<b>\$ (554,130)</b>	<b>\$ (13,357,202)</b>	<b>\$ (13,911,333)</b>	<b>-8.0%</b>
<b>OTHER PRODUCTION</b>									
<b>Jamestown</b>									
341.00 Structures and Improvements	\$ 305,657	\$ 13,131	\$ 292,526		-1.7%	\$ -	\$ (4,928)	\$ (4,928)	-1.6%
342.00 Fuel Holders and Accessories	415,964	17,612	398,352		-1.7%		(6,711)	(6,711)	-1.6%
343.00 Prime Movers	6,952,527	302,923	6,649,604		-1.7%		(112,031)	(112,031)	-1.6%
344.00 Generators									
345.00 Accessory Electric Equipment	227,590	9,876	217,714		-1.7%		(3,668)	(3,668)	-1.6%
346.00 Miscellaneous Power Plant Equipment	88,665	3,635	85,030		-1.7%		(1,433)	(1,433)	-1.6%
<b>Total Jamestown</b>	<b>\$ 7,990,403</b>	<b>\$ 347,177</b>	<b>\$ 7,643,226</b>		<b>-1.7%</b>	<b>\$ -</b>	<b>\$ (128,771)</b>	<b>\$ (128,771)</b>	<b>-1.6%</b>

**OTTER TAIL POWER COMPANY**

Future Net Salvage  
Steam and Other Production

Statement E

Account Description A	12/31/16 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<b>Lake Preston</b>									
341.00 Structures and Improvements	\$ 229,834	\$ 10,026	\$ 219,808	-3.0%	\$ -	\$ (6,515)	\$ (6,515)	\$ (6,515)	-2.8%
342.00 Fuel Holders and Accessories	328,705	14,260	314,445	-3.0%		(9,320)	(9,320)	(9,320)	-2.8%
343.00 Prime Movers	3,282,642	143,530	3,139,112	-3.0%		(93,039)	(93,039)	(93,039)	-2.8%
344.00 Generators									
345.00 Accessory Electric Equipment	400,094	17,493	382,601	-3.0%		(11,340)	(11,340)	(11,340)	-2.8%
346.00 Miscellaneous Power Plant Equipment	21,607	946	20,661	-3.0%		(612)	(612)	(612)	-2.8%
<b>Total Lake Preston</b>	<b>\$ 4,262,882</b>	<b>\$ 186,254</b>	<b>\$ 4,076,628</b>	<b>-3.0%</b>	<b>\$ -</b>	<b>\$ (120,826)</b>	<b>\$ (120,826)</b>	<b>\$ (120,826)</b>	<b>-2.8%</b>
<b>Solway Combustion Turbine</b>									
341.00 Structures and Improvements	\$ 4,411,779	\$ 239,390	\$ 4,172,389	-0.4%	\$ -	\$ (17,063)	\$ (17,063)	\$ (17,063)	-0.4%
342.00 Fuel Holders and Accessories	1,003,596	54,503	949,093	-0.4%		(3,881)	(3,881)	(3,881)	-0.4%
343.00 Prime Movers	21,499,352	1,166,861	20,332,491	-0.4%		(83,151)	(83,151)	(83,151)	-0.4%
344.00 Generators									
345.00 Accessory Electric Equipment	1,305,578	70,775	1,234,803	-0.4%		(5,050)	(5,050)	(5,050)	-0.4%
346.00 Miscellaneous Power Plant Equipment	350,326	18,925	331,401	-0.4%		(1,355)	(1,355)	(1,355)	-0.4%
<b>Total Solway Combustion Turbine</b>	<b>\$ 28,570,631</b>	<b>\$ 1,550,454</b>	<b>\$ 27,020,177</b>	<b>-0.4%</b>	<b>\$ -</b>	<b>\$ (110,501)</b>	<b>\$ (110,501)</b>	<b>\$ (110,501)</b>	<b>-0.4%</b>
<b>Ashtabula Wind Generation</b>									
341.00 Structures and Improvements	\$3,248,290	\$132,753	\$ 3,115,537	-1.2%	\$ -	\$ (38,782)	\$ (38,782)	\$ (38,782)	-1.2%
342.00 Fuel Holders and Accessories				-1.2%					
343.00 Prime Movers				-1.2%					
344.00 Generators	106,668,515	4,358,040	102,310,475	-1.2%		(1,273,544)	(1,273,544)	(1,273,544)	-1.2%
345.00 Accessory Electric Equipment	6,347,379	259,356	6,088,023	-1.2%		(75,783)	(75,783)	(75,783)	-1.2%
346.00 Miscellaneous Power Plant Equipment	28,417	1,150	27,267	-1.2%		(339)	(339)	(339)	-1.2%
<b>Total Ashtabula Wind Generation</b>	<b>\$ 116,292,601</b>	<b>\$ 4,751,298</b>	<b>\$ 111,541,303</b>	<b>-1.2%</b>	<b>\$ -</b>	<b>\$ (1,388,447)</b>	<b>\$ (1,388,447)</b>	<b>\$ (1,388,447)</b>	<b>-1.2%</b>
<b>Langdon Wind Generation</b>									
341.00 Structures and Improvements	\$2,484,069	\$95,419	\$ 2,388,650	-1.5%	\$ -	\$ (35,967)	\$ (35,967)	\$ (35,967)	-1.4%
342.00 Fuel Holders and Accessories				-1.5%					
343.00 Prime Movers				-1.5%					
344.00 Generators	69,262,415	2,659,337	66,603,078	-1.5%		(1,002,879)	(1,002,879)	(1,002,879)	-1.4%
345.00 Accessory Electric Equipment	7,407,275	284,241	7,123,034	-1.5%		(107,255)	(107,255)	(107,255)	-1.4%
346.00 Miscellaneous Power Plant Equipment	65,210	2,473	62,737	-1.5%		(945)	(945)	(945)	-1.4%
<b>Total Langdon Wind Generation</b>	<b>\$ 79,218,969</b>	<b>\$ 3,041,469</b>	<b>\$ 76,177,500</b>	<b>-1.5%</b>	<b>\$ -</b>	<b>\$ (1,147,046)</b>	<b>\$ (1,147,046)</b>	<b>\$ (1,147,046)</b>	<b>-1.4%</b>

**OTTER TAIL POWER COMPANY**

Future Net Salvage  
Steam and Other Production

Statement E

Account Description A	12/31/16 Plant Investment B	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate J=I/B
		Interim C	Final D=B-C	Interim E	Final F	Interim G=C*E	Final H=D*F	Total I=G+H	
<b>Luverne Wind Generation</b>									
341.00 Structures and Improvements	\$2,266,581	\$98,171	\$ 2,168,410	-2.1%	\$	-	\$ (45,424)	\$ (45,424)	-2.0%
342.00 Fuel Holders and Accessories									
343.00 Prime Movers									
344.00 Generators	65,670,425	2,843,688	62,826,737	-2.1%			(1,316,090)	(1,316,090)	-2.0%
345.00 Accessory Electric Equipment	4,863,837	210,660	4,653,177	-2.1%			(97,474)	(97,474)	-2.0%
346.00 Miscellaneous Power Plant Equipment	74,045	3,176	70,869	-2.1%			(1,485)	(1,485)	-2.0%
<b>Total Luverne Wind Generation</b>	<b>\$ 72,874,888</b>	<b>\$ 3,155,694</b>	<b>\$ 69,719,194</b>	<b>-2.1%</b>	<b>\$</b>	<b>-</b>	<b>\$ (1,460,473)</b>	<b>\$ (1,460,473)</b>	<b>-2.0%</b>
<b>GENERAL PLANT</b>									
390.10 General Office Buildings	\$5,718,958	\$199,942	\$ 5,519,016	-5.0%	51.6%	\$ (9,997)	\$ 2,846,923	\$ 2,836,926	49.6%
390.20 Fleet Service Center Building	937,678	20,297	917,381	-5.0%	34.4%	(1,015)	315,851	314,836	33.6%
390.30 Central Stores Building	4,027,548	198,744	3,828,804	-5.0%	97.7%	(9,937)	3,739,918	3,729,981	92.6%

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>STEAM PRODUCTION</b>												
311.00 Structures and Improvements			37.88	27.20	-7.3	-7.0			37.69	26.24	-7.0	-6.9
312.00 Boiler Plant Equipment			31.46	22.18	-8.6	-7.5			30.96	21.38	-8.2	-7.5
312.10 Boiler Plant Equipment - Ash Ponds			38.25	33.91					38.09	32.99		
314.00 Turbogenerator Units			36.48	21.20	-2.6	-8.0			36.21	20.34	-2.7	-8.0
315.00 Accessory Electric Equipment			38.31	25.49	-7.4	-7.3			38.29	24.57	-7.4	-7.2
316.00 Miscellaneous Power Plant Equipment			30.12	18.80	-3.0	-7.6			29.88	18.16	-3.2	-7.7
<b>Total Steam Production Plant</b>			<b>33.74</b>	<b>23.36</b>	<b>-7.3</b>	<b>-7.3</b>			<b>33.31</b>	<b>22.48</b>	<b>-7.1</b>	<b>-7.3</b>
<b>HYDRAULIC PRODUCTION</b>												
331.00 Structures and Improvements			18.19	5.46	-0.1				18.22	4.47	-0.1	
332.00 Reservoirs, Dams and Waterways			12.12	5.46	1.7				12.14	4.47	1.7	
333.00 Water Wheels, Turbines & Generators			13.17	5.46	-7.5				13.19	4.47	-7.5	
334.00 Accessory Electric Equipment			19.86	5.46	-0.2				19.87	4.47	-0.2	
335.00 Miscellaneous Power Plant Equipment			10.21	5.46	-0.5				10.23	4.47	-0.5	
<b>Total Hydraulic Production Plant</b>			<b>12.80</b>	<b>5.46</b>	<b>-0.5</b>				<b>12.82</b>	<b>4.47</b>	<b>-0.5</b>	
<b>OTHER PRODUCTION</b>												
341.00 Structures and Improvements			27.14	18.42	-1.2	-1.1			27.16	17.46	-1.1	-1.1
342.00 Fuel Holders and Accessories			33.17	19.80	-2.3	-1.2			33.17	18.85	-2.3	-1.1
343.00 Prime Movers			36.37	20.56	-1.4	-0.9			35.35	19.47	-1.5	-0.9
344.00 Generators			24.15	17.09	-1.5	-1.5			24.11	16.13	-1.5	-1.5
345.00 Accessory Electric Equipment			24.79	17.21	-1.4	-1.4			24.79	16.25	-1.4	-1.4
346.00 Miscellaneous Power Plant Equipment			26.46	19.22	1.1	-1.0			26.21	18.40	1.1	-1.0
<b>Total Other Production Plant</b>			<b>25.22</b>	<b>17.42</b>	<b>-1.5</b>	<b>-1.4</b>			<b>25.15</b>	<b>16.46</b>	<b>-1.5</b>	<b>-1.4</b>
<b>TRANSMISSION PLANT</b>												
353.00 Station Equipment	65.00	R1	65.15	53.06	-0.7	-5.0	65.00	R1	65.14	53.63	-0.6	-5.0
354.00 Towers and Fixtures	70.00	R5	70.00	66.45	-10.0	-10.0	70.00	R5	70.00	65.34	-10.0	-10.0
355.00 Poles and Fixtures	70.00	R2	70.36	54.30	-45.2	-50.0	70.00	R2	70.37	54.21	-45.5	-50.0
356.00 Overhead Conductors and Devices	70.00	R2	70.23	55.22	-26.1	-30.0	70.00	R2	70.23	55.11	-26.3	-30.0
358.00 Underground Conductors and Devices	40.00	S4	42.08	9.36	-7.3	-5.0	40.00	S4	42.48	8.92	-7.3	-5.0
<b>Total Transmission Plant</b>			<b>69.00</b>	<b>56.93</b>	<b>-22.0</b>	<b>-25.5</b>			<b>68.92</b>	<b>56.53</b>	<b>-22.1</b>	<b>-25.6</b>

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
<b>DISTRIBUTION PLANT</b>												
362.00 Station Equipment	40.00	SC	40.63	32.11	7.3	5.0	40.00	SC	40.64	32.00	7.2	5.0
364.00 Poles, Towers and Fixtures	68.00	R3	68.09	47.61	-76.5	-75.0	68.00	R3	68.10	47.20	-76.6	-75.0
365.00 Overhead Conductors and Devices	65.00	R2.5	65.21	43.53	-98.3	-100.0	65.00	R2.5	65.22	43.09	-98.3	-100.0
367.00 Underground Conductors and Devices	40.00	R4	39.95	24.39	-4.7	-5.0	40.00	R4	39.98	24.22	-4.8	-5.0
368.00 Line Transformers	40.00	R2.5	40.13	28.21	48.5	50.0	40.00	R2.5	40.13	28.05	48.4	50.0
369.00 Overhead Services	55.00	S5	55.23	32.19	-155.4	-150.0	55.00	S5	55.25	31.60	-155.8	-150.0
369.10 Underground Services	45.00	R4	45.15	29.99	-20.2	-20.0	45.00	R4	45.17	29.63	-20.3	-20.0
370.00 Meters	28.00	L0.5	29.71	20.69	0.1		28.00	L0.5	29.61	20.73	0.2	
370.10 Load Management Switches	12.00	R5	12.31	2.12			12.00	R5	12.63	1.59		
371.20 Other Private Lighting	23.00	L0	23.17	16.83	9.3	10.0	23.00	L0	23.14	17.03	9.1	10.0
373.00 Street Lighting and Signal Systems	22.00	L0.5	22.55	15.03	-3.9	-5.0	22.00	L0.5	22.56	15.13	-3.9	-5.0
<b>Total Distribution Plant</b>			42.02	28.61	-16.4	-18.5			42.09	28.45	-16.0	-17.9
<b>GENERAL PLANT</b>												
<b>Depreciable</b>												
390.00 Structures and Improvements	47.00	R1.5	47.53	30.54	13.4	10.0	47.00	R1.5	47.57	30.07	13.3	10.0
390.10 General Office Buildings	2030	200-SC	32.96	14.22	38.4	49.6	2030	200-SC	32.85	13.26	38.4	49.6
390.20 Fleet Service Center Building	2025	200-SC	27.31	9.38	26.0	33.6	2025	200-SC	27.32	8.41	26.0	33.6
390.30 Central Stores Building	2035	200-SC	49.71	18.98	90.9	92.6	2035	200-SC	49.66	18.03	90.6	92.6
396.00 Power Operated Equipment	24.00	L0	26.23	16.89	21.7	20.0	24.00	L0	25.59	17.81	20.7	20.0
397.40 Communication Towers	40.00	R3	40.35	24.13	5.5	5.0	40.00	R3	40.41	23.32	5.5	5.0
<b>Total Depreciable</b>			42.53	23.94	26.2	27.6			42.49	23.32	26.0	27.5
<b>Amortizable</b>												
391.00 Office Furniture	15.00	SQ	15.00	5.51			15.00	SQ	15.00	5.16		
391.10 Office Equipment	10.00	SQ	10.00	3.46			10.00	SQ	10.00	2.47		
391.20 Duplicating Equipment	10.00	SQ	10.00	4.44			10.00	SQ	10.00	3.85		
391.50 Computer Systems	5.00	SQ	5.00	2.52			5.00	SQ	5.00	2.15		
391.60 Computer Related Equipment	5.00	SQ	5.00	2.13			5.00	SQ	5.00	1.78		
394.00 Tools, Shop and Garage Equipment	15.00	SQ	15.00	8.83			15.00	SQ	15.00	8.59		
394.20 Automated Meter Reading Equipment	15.00	SQ	15.00	6.84			15.00	SQ	15.00	5.84		
397.00 Communication Equipment	15.00	SQ	15.00	8.49			15.00	SQ	15.00	8.03		

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description	Current Parameters						Updated Parameters					
	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
	B	C	D	E	F	G	H	I	J	K	L	M
397.10 Radio Telecommunication Equipment	10.00	SQ	10.00	4.83			10.00	SQ	10.00	3.92		
397.20 Microwave Equipment	15.00	SQ	15.00	7.69			15.00	SQ	15.00	7.92		
397.30 Radio Load Control Equipment	10.00	SQ	10.00	5.40			10.00	SQ	10.00	4.40		
<b>Total Amortizable</b>			8.70	4.34					10.04	4.72		
<b>Total General Plant</b>			16.90	9.09	9.9	16.8			20.14	10.51	9.8	18.0
<b>TOTAL UTILITY</b>			36.08	25.69	-10.8	-12.3			36.50	25.48	-10.7	-12.3
<b>STEAM PRODUCTION</b>												
<b>Big Stone</b>												
311.00 Structures and Improvements	2046	200-SC	34.26	29.32	-6.1	-6.0	2046	200-SC	34.24	28.39	-6.1	-6.0
312.00 Boiler Plant Equipment	2046	200-SC	33.69	29.32	-7.1	-6.0	2046	200-SC	33.62	28.39	-7.2	-6.0
312.10 Boiler Plant Equipment - Ash Ponds												
314.00 Turbogenerator Units	2046	200-SC	43.25	29.29	-2.1	-6.0	2046	200-SC	43.02	28.36	-2.1	-6.0
315.00 Accessory Electric Equipment	2046	200-SC	36.40	29.31	-6.4	-6.0	2046	200-SC	36.37	28.39	-6.4	-6.0
316.00 Miscellaneous Power Plant Equipment	2046	200-SC	41.96	29.29	-3.3	-5.6	2046	200-SC	41.21	28.37	-3.3	-5.6
<b>Total Big Stone</b>			34.79	29.32	-6.3	-6.0			34.73	28.39	-6.3	-6.0
<b>Hoot Lake Units 2 and 3</b>												
311.00 Structures and Improvements	2021	200-SC	36.71	5.46	-16.8	-12.2	2021	200-SC	36.76	4.47	-18.0	-13.5
312.00 Boiler Plant Equipment	2021	200-SC	14.58	5.46	-16.6	-12.2	2021	200-SC	14.59	4.47	-17.6	-13.5
312.10 Boiler Plant Equipment - Ash Ponds	2051	200-SC	38.25	33.91			2051	200-SC	38.09	32.99		
314.00 Turbogenerator Units	2021	200-SC	23.57	5.46	-11.0	-12.2	2021	200-SC	23.62	4.47	-12.2	-13.5
315.00 Accessory Electric Equipment	2021	200-SC	26.43	5.46	-14.0	-12.2	2021	200-SC	26.47	4.47	-15.2	-13.5
316.00 Miscellaneous Power Plant Equipment	2021	200-SC	14.31	5.46	-5.3	-12.1	2021	200-SC	14.31	4.47	-6.4	-13.4
<b>Total Hoot Lake Units 2 and 3</b>			18.32	6.88	-13.8	-10.9			18.29	5.85	-14.8	-12.1
<b>Coyote</b>												
311.00 Structures and Improvements	2041	200-SC	52.25	24.62	-8.6	-8.5	2041	200-SC	50.61	23.69	-7.3	-8.0
312.00 Boiler Plant Equipment	2041	200-SC	48.13	24.63	-8.2	-8.5	2041	200-SC	42.75	23.71	-6.7	-8.0
312.10 Boiler Plant Equipment - Ash Ponds												
314.00 Turbogenerator Units	2041	200-SC	39.15	24.65	0.3	-8.5	2041	200-SC	38.41	23.72	0.6	-8.0
315.00 Accessory Electric Equipment	2041	200-SC	48.02	24.63	-7.8	-8.5	2041	200-SC	48.01	23.70	-7.4	-8.0
316.00 Miscellaneous Power Plant Equipment	2041	200-SC	37.89	24.65	-1.8	-8.2	2041	200-SC	36.58	23.72	-1.7	-7.7
<b>Total Coyote</b>			47.14	24.63	-6.7	-8.5			43.63	23.71	-5.6	-8.0

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>HYDRAULIC PRODUCTION</b>												
<b>Hoot Lake</b>												
331.00 Structures and Improvements	2021	200-SC	61.16	5.46			2021	200-SC	61.30	4.47		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	29.89	5.46	-0.1		2021	200-SC	29.94	4.47	-0.1	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	36.08	5.46			2021	200-SC	36.16	4.47		
334.00 Accessory Electric Equipment	2021	200-SC	30.68	5.46			2021	200-SC	30.74	4.47		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.91	5.46			2021	200-SC	8.92	4.47		
<b>Total Hoot Lake</b>			26.94	5.46					26.99	4.47		
<b>Wright</b>												
331.00 Structures and Improvements	2021	200-SC	30.68	5.46			2021	200-SC	30.74	4.47		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	9.58	5.46	27.1		2021	200-SC	9.59	4.47	27.1	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	9.29	5.46	-3.6		2021	200-SC	9.30	4.47	-3.6	
334.00 Accessory Electric Equipment	2021	200-SC	17.78	5.46			2021	200-SC	17.81	4.47		
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	12.20	5.46	-0.7		2021	200-SC	12.21	4.47	-0.7	
<b>Total Wright</b>			10.23	5.46	12.4				10.25	4.47	12.4	
<b>Pisqah</b>												
331.00 Structures and Improvements	2021	200-SC	38.70	5.46			2021	200-SC	38.78	4.47		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	12.97	5.46			2021	200-SC	12.99	4.47		
333.00 Water Wheels, Turbines & Generators	2021	200-SC	15.87	5.46	-15.0		2021	200-SC	15.90	4.47	-15.0	
334.00 Accessory Electric Equipment	2021	200-SC	17.73	5.46	-0.3		2021	200-SC	17.66	4.47	-0.3	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.91	5.46	-0.6		2021	200-SC	8.92	4.47	-0.6	
<b>Total Pisqah</b>			13.65	5.46	-3.4				13.66	4.47	-3.4	
<b>Dayton Hollow</b>												
331.00 Structures and Improvements	2021	200-SC	9.93	5.46			2021	200-SC	9.95	4.47		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	10.67	5.46	-10.2		2021	200-SC	10.69	4.47	-10.2	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	14.16	5.46	-10.2		2021	200-SC	14.18	4.47	-10.2	
334.00 Accessory Electric Equipment	2021	200-SC	21.32	5.46	0.1		2021	200-SC	21.36	4.47	0.1	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	8.93	5.46	-0.2		2021	200-SC	8.94	4.47	-0.2	
<b>Total Dayton Hollow</b>			11.48	5.46	-8.5				11.50	4.47	-8.5	

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>Taplin Gorge</b>												
331.00 Structures and Improvements	2021	200-SC	74.27	5.45			2021	200-SC	74.44	4.47		
332.00 Reservoirs, Dams and Waterways	2021	200-SC	16.29	5.46	-4.8		2021	200-SC	16.31	4.47	-4.8	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	81.90	5.45			2021	200-SC	82.09	4.47		
334.00 Accessory Electric Equipment	2021	200-SC	22.15	5.46	-0.3		2021	200-SC	22.19	4.47	-0.3	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	11.73	5.46	-0.4		2021	200-SC	11.75	4.47	-0.4	
<b>Total Taplin Gorge</b>			16.59	5.46	-3.6				16.61	4.47	-3.6	
<b>Bemidji</b>												
331.00 Structures and Improvements	2021	200-SC	13.18	5.46	-0.1		2021	200-SC	13.20	4.47	-0.1	
332.00 Reservoirs, Dams and Waterways	2021	200-SC	13.00	5.46	-0.6		2021	200-SC	13.02	4.47	-0.6	
333.00 Water Wheels, Turbines & Generators	2021	200-SC	19.62	5.46	-11.2		2021	200-SC	19.66	4.47	-11.2	
334.00 Accessory Electric Equipment	2021	200-SC	73.00	5.45	-17.7		2021	200-SC	73.05	4.47	-17.7	
335.00 Miscellaneous Power Plant Equipment	2021	200-SC	11.87	5.46	-5.5		2021	200-SC	11.89	4.47	-5.5	
<b>Total Bemidji</b>			14.23	5.46	-3.1				14.25	4.47	-3.1	
<b>OTHER PRODUCTION</b>												
<b>Jamestown</b>												
341.00 Structures and Improvements			35.90	17.10	-1.8	-1.7			35.94	16.14	-1.7	-1.6
342.00 Fuel Holders and Accessories			28.68	17.11	-5.0	-1.7			28.65	16.15	-4.9	-1.6
343.00 Prime Movers			45.82	17.08	-3.2	-1.7			40.67	16.13	-3.4	-1.6
344.00 Generators												
345.00 Accessory Electric Equipment			36.89	17.09	1.6	-1.7			36.88	16.14	1.7	-1.6
346.00 Miscellaneous Power Plant Equipment			22.92	17.11	7.0	-1.7			22.73	16.15	7.0	-1.6
<b>Total Jamestown</b>			43.13	17.09	-2.9	-1.7			39.16	16.14	-3.1	-1.6
<b>Jamestown Unit 1</b>												
341.00 Structures and Improvements	2033	200-SC	36.90	17.10	-1.8	-1.7	2033	200-SC	36.94	16.14	-1.7	-1.6
342.00 Fuel Holders and Accessories	2033	200-SC	28.19	17.11	-5.1	-1.7	2033	200-SC	28.20	16.15	-5.0	-1.6
343.00 Prime Movers	2033	200-SC	43.53	17.09	-4.4	-1.7	2033	200-SC	37.88	16.14	-4.6	-1.6
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	55.62	17.07	-1.4	-1.7	2033	200-SC	55.72	16.12	-1.3	-1.6
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	22.30	17.11	5.1	-1.7	2033	200-SC	22.31	16.15	5.2	-1.6
<b>Total Jamestown Unit 1</b>			40.27	17.09	-3.9	-1.7			36.51	16.14	-4.1	-1.6

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b>Jamestown Unit 2</b>												
341.00 Structures and Improvements	2033	200-SC	27.49	17.11	-1.7	-1.7	2033	200-SC	27.52	16.15	-1.6	-1.6
342.00 Fuel Holders and Accessories	2033	200-SC	35.02	17.08	-4.7	-1.7	2033	200-SC	34.32	16.12	-4.7	-1.6
343.00 Prime Movers	2033	200-SC	47.71	17.08	-2.3	-1.7	2033	200-SC	43.13	16.13	-2.4	-1.6
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	21.40	17.11	6.1	-1.7	2033	200-SC	21.37	16.15	6.2	-1.6
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	45.86	17.09	14.7	-1.7	2033	200-SC	45.46	16.13	14.8	-1.6
<b>Total Jamestown Unit 2</b>			46.29	17.08	-2.1	-1.7			42.12	16.13	-2.2	-1.6
<b>Lake Preston</b>												
341.00 Structures and Improvements	2033	200-SC	41.90	17.09	-2.9	-2.9	2033	200-SC	41.96	16.13	-2.8	-2.8
342.00 Fuel Holders and Accessories	2033	200-SC	39.93	17.09	-3.1	-2.9	2033	200-SC	39.92	16.14	-3.1	-2.8
343.00 Prime Movers	2033	200-SC	48.60	17.08	-3.0	-2.9	2033	200-SC	43.02	16.13	-3.1	-2.8
344.00 Generators												
345.00 Accessory Electric Equipment	2033	200-SC	51.03	17.08	-2.9	-2.9	2033	200-SC	41.94	16.13	-2.8	-2.8
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	48.22	17.08	7.8	-2.9	2033	200-SC	48.30	16.13	7.9	-2.8
<b>Total Lake Preston</b>			47.55	17.08	-2.9	-2.9			42.63	16.13	-3.0	-2.8
<b>Ashtabula Wind Generation</b>												
341.00 Structures and Improvements	2033	200-SC	24.29	17.11	-1.2	-1.2	2033	200-SC	24.31	16.15	-1.2	-1.2
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2033	200-SC	24.14	17.11	-1.2	-1.2	2033	200-SC	24.12	16.15	-1.2	-1.2
345.00 Accessory Electric Equipment	2033	200-SC	24.18	17.11	-1.2	-1.2	2033	200-SC	24.22	16.15	-1.2	-1.2
346.00 Miscellaneous Power Plant Equipment	2033	200-SC	20.46	17.11	-1.2	-1.2	2033	200-SC	20.47	16.16	-1.2	-1.2
<b>Total Ashtabula Wind Generation</b>			24.15	17.11	-1.2	-1.2			24.13	16.15	-1.2	-1.2
<b>Langdon Wind Generation</b>												
341.00 Structures and Improvements	2032	200-SC	24.31	16.15	-1.4	-1.4	2032	200-SC	24.33	15.19	-1.4	-1.4
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2032	200-SC	24.13	16.15	-1.4	-1.4	2032	200-SC	24.04	15.19	-1.4	-1.4
345.00 Accessory Electric Equipment	2032	200-SC	23.82	16.15	-1.4	-1.4	2032	200-SC	23.84	15.19	-1.4	-1.4
346.00 Miscellaneous Power Plant Equipment	2032	200-SC	19.39	16.16	-1.5	-1.5	2032	200-SC	19.40	15.20	-1.4	-1.4
<b>Total Langdon Wind Generation</b>			24.10	16.15	-1.4	-1.4			24.03	15.19	-1.4	-1.4

**OTTER TAIL POWER COMPANY**

Current and Updated Parameters  
Vintage Group Procedure

Statement F

Account Description A	Current Parameters						Updated Parameters					
	P-Life/ AYFR B	Curve Shape C	VG ASL D	Rem. Life E	Avg. Sal. F	Fut. Sal. G	P-Life/ AYFR H	Curve Shape I	VG ASL J	Rem. Life K	Avg. Sal. L	Fut. Sal. M
<b><u>Luverne Wind Generation</u></b>												
341.00 Structures and Improvements	2034	200-SC	24.27	18.07	-2.0	-2.0	2034	200-SC	24.29	17.11	-2.0	-2.0
342.00 Fuel Holders and Accessories												
343.00 Prime Movers												
344.00 Generators	2034	200-SC	24.17	18.07	-2.0	-2.0	2034	200-SC	24.15	17.11	-2.0	-2.0
345.00 Accessory Electric Equipment	2034	200-SC	24.26	18.07	-2.0	-2.0	2034	200-SC	24.28	17.11	-2.0	-2.0
346.00 Miscellaneous Power Plant Equipment	2034	200-SC	20.58	18.07	-2.0	-2.0	2034	200-SC	20.59	17.11	-2.0	-2.0
<b>Total Luverne Wind Generation</b>			24.17	18.07	-2.0	-2.0			24.16	17.11	-2.0	-2.0
<b><u>Solway Combustion Turbine</u></b>												
341.00 Structures and Improvements	2038	200-SC	32.98	21.85	-0.4	-0.4	2038	200-SC	33.01	20.90	-0.4	-0.4
342.00 Fuel Holders and Accessories	2038	200-SC	33.48	21.85	-0.4	-0.4	2038	200-SC	33.51	20.90	-0.4	-0.4
343.00 Prime Movers	2038	200-SC	33.10	21.85	-0.7	-0.4	2038	200-SC	33.08	20.90	-0.7	-0.4
344.00 Generators												
345.00 Accessory Electric Equipment	2038	200-SC	32.42	21.85	-0.4	-0.4	2038	200-SC	32.42	20.90	-0.4	-0.4
346.00 Miscellaneous Power Plant Equipment	2038	200-SC	32.11	21.85	-0.4	-0.4	2038	200-SC	31.06	20.91	-0.4	-0.4
<b>Total Solway Combustion Turbine</b>			33.05	21.85	-0.6	-0.4			33.03	20.90	-0.6	-0.4
<b><u>Fergus Falls Control Center</u></b>												
341.00 Structures and Improvements												
342.00 Fuel Holders and Accessories												
343.00 Prime Movers	2030	200-SC	33.99	14.22	0.6		2030	200-SC	34.05	13.26	0.6	
344.00 Generators												
345.00 Accessory Electric Equipment												
346.00 Miscellaneous Power Plant Equipment												
<b>Total Fergus Falls Control Center</b>			33.99	14.22	0.6				34.05	13.26	0.6	

**OTTER TAIL POWER COMPANY**  
Plant Activity for 2016

Statement G

Account Description	Beginning Balance	Additions	Retirements	Adjustments	Transfers	Ending Balance
A	B	C	D	E	F	G
<b>STEAM PRODUCTION</b>						
311.00 Structures and Improvements	\$ 124,286,056	\$ 1,328,567	\$ 179,042		(\$35,353)	\$ 125,400,228
312.00 Boiler Plant Equipment	315,197,162	13,841,360	3,929,420		37,023	325,146,126
312.10 Boiler Plant Equipment - Ash Pond	6,980,676					6,980,676
314.00 Turbo Generator Units	65,472,261	779,348	351,141		(1,670)	65,898,798
315.00 Accessory Electric Equipment	36,595,821	80,419				36,676,241
316.00 Misc. Power Plant Equipment	6,238,030	241,384	45,069			6,434,345
<b>Total Steam Production</b>	<b>\$ 554,770,006</b>	<b>\$ 16,271,078</b>	<b>\$ 4,504,671</b>		<b>\$0</b>	<b>\$ 566,536,413</b>
<b>HYDRAULIC PRODUCTION</b>						
331.00 Structures and Improvements	\$ 351,712					\$ 351,712
332.00 Reservoirs, Dams and Waterways	4,277,054					4,277,054
333.00 Water Wheels, Turbines and Gen.	1,373,867					1,373,867
334.00 Accessory Electric Equipment	592,400					592,400
335.00 Misc. Power Plant Equipment	442,624					442,624
<b>Total Hydraulic Production</b>	<b>\$ 7,037,658</b>	<b>\$ -</b>	<b>\$ -</b>			<b>\$ 7,037,658</b>
<b>OTHER PRODUCTION</b>						
341.00 Structures and Improvements	\$ 12,946,209					\$ 12,946,209
342.00 Fuel Holders and Accessories	1,748,266					1,748,266
343.00 Prime Movers	31,897,513	886,326	457,680			32,326,159
344.00 Generators	241,512,941	976,677	888,263			241,601,355
345.00 Accessory Electric Equipment	20,546,283	19,516	14,046			20,551,752
346.00 Misc. Power Plant Equipment	605,668	24,173	1,570			628,270
<b>Total Other Production</b>	<b>\$ 309,256,880</b>	<b>\$ 1,906,692</b>	<b>\$ 1,361,559</b>			<b>\$ 309,802,012</b>
<b>TRANSMISSION PLANT</b>						
353.00 Station Equipment	\$ 85,468,068	\$ 9,723,713	\$ 52,512		\$ (2,150)	\$ 95,137,119
354.00 Towers and Fixtures	85,885,043	(4,778,625)				81,106,418
355.00 Poles and Fixtures	107,218,331	5,604,070	126,649		(10,036)	112,685,716
356.00 Overhead Conductors and Devices	102,215,587	5,231,832	272,799		(2,773)	107,171,847
358.00 Underground Conductors and Devices	77,461					77,461
<b>Total Transmission Plant</b>	<b>\$ 380,864,490</b>	<b>\$ 15,780,989</b>	<b>\$ 451,960</b>		<b>\$ (14,959)</b>	<b>\$ 396,178,561</b>

**OTTER TAIL POWER COMPANY**  
Plant Activity for 2016

Statement G

Account Description	Beginning Balance	Additions	Retirements	Adjustments	Transfers	Ending Balance
A	B	C	D	E	F	G
<b>DISTRIBUTION PLANT</b>						
362.00 Station Equipment	\$ 75,495,956	\$ 3,126,434	\$ 507,888		\$ 9,195	\$ 78,123,696
364.00 Poles, Towers and Fixtures	69,428,763	1,526,673	107,218		1,597	70,849,816
365.00 Overhead Conductors and Devices	49,145,267	868,414	163,092		(7,895)	49,842,694
367.00 Underground Conductors and Devices	71,676,278	3,156,140	154,495		21,166	74,699,089
368.00 Line Transformers	89,762,013	4,543,501	574,675		(17,411)	93,713,427
369.00 Overhead Services	12,837,241	171,099	17,392			12,990,947
369.10 Underground Services	39,609,183	1,416,942	37,907			40,988,218
370.00 Meters	24,243,214	1,332,990	743,581			24,832,623
370.10 Load Management Switches	8,681,054		15,543			8,665,511
370.20 Interruption Monitors	36,582		36,582			(0)
371.20 Other Private Lighting	4,482,178	531,616	226,928			4,786,865
373.00 Street Lighting and Signal Systems	5,156,980	409,496	102,472			5,464,004
<b>Total Distribution Plant</b>	<b>\$ 450,554,709</b>	<b>\$ 17,083,304</b>	<b>\$ 2,687,775</b>		<b>\$ 6,652</b>	<b>\$ 464,956,890</b>
<b>GENERAL PLANT</b>						
390.00 Structures and Improvements	\$ 19,735,934	\$ 263,994	\$ 107,949		(\$1,907)	\$ 19,890,073
390.10 General Office Buildings	5,712,599	4,453			1,907	5,718,958
390.20 Fleet Service Center Buildings	937,678					937,678
390.30 Central Stores Building	4,026,350	14,414	13,216			4,027,548
391.00 Office Furniture	1,315,610	4,873	143,166			1,177,317
391.10 Office Equipment	808,231		1,102			807,128
391.20 Duplicating Equipment	433,343	5,274	150,921			287,696
391.50 Computer Systems	4,837,066	144,339	2,304,110			2,677,295
391.60 Computer Related Equipment	2,087,637		1,142,947			944,691
394.00 Tools, Shop and Garage Equipment	3,927,992	241,148	172,226			3,996,914
394.20 Automated Meter Reading Equipment	617,570					617,570
396.00 Power Operated Equipment	605,062	79,588	68,603			616,048
397.00 Communication Equipment	873,580		54,934			818,647
397.10 Radio Telecommunications Equipment	1,206,997		22,519			1,184,478
397.20 Microwave Equipment	4,625,643	278,053	455,249			4,448,448
397.30 Radio Load Control Equipment	317,859					317,859
397.40 Communication Equipment - Towers	1,888,762					1,888,762
<b>Total General Plant</b>	<b>\$ 53,957,915</b>	<b>\$ 1,036,135</b>	<b>\$ 4,636,941</b>		<b>\$ (0)</b>	<b>\$ 50,357,109</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 1,756,441,657</b>	<b>\$ 52,078,198</b>	<b>\$ 13,642,907</b>		<b>\$ (8,306)</b>	<b>\$ 1,794,868,642</b>

**OTTER TAIL POWER COMPANY**  
Analysis of Depreciation Reserve for 2016

Statement H

Account Description	Beginning Balance	Credits		Debits		Other Credits (Debits)	Ending Balance
		Accruals	Gross Salvage	Retirements	Cost of Removal		
A	B	C	D	E	F	G	H
<b>STEAM PRODUCTION</b>							
311.00 Structures and Improvements	\$ 48,168,882	\$ 3,176,214	\$ 359,376	\$ 179,042	\$ 45,517	\$ (43,568)	\$ 51,436,346
312.00 Boiler Plant Equipment	111,776,563	11,091,766	3,479,724	3,929,420	2,251,526	-2,731,239	117,435,868
312.10 Boiler Plant Equipment - Ash Pond	2,331,763					2,778,538.97	5,110,302
314.00 Turbo Generator Units	40,426,334	1,482,833.98		351,140.52	25,964.10	(3,732.38)	41,528,331
315.00 Accessory Electric Equipment	16,924,678	886,118.22					17,810,797
316.00 Misc. Power Plant Equipment	3,285,952	184,783.37	13.85	45,069.28	1,561.47		3,424,119
<b>Total Steam Production</b>	<b>\$ 222,914,172</b>	<b>\$ 16,821,716</b>	<b>\$ 3,839,114</b>	<b>\$ 4,504,671</b>	<b>\$ 2,324,568</b>	<b>\$ 0</b>	<b>\$ 236,745,762</b>
<b>HYDRAULIC PRODUCTION</b>							
331.00 Structures and Improvements	\$ 232,252	\$ 18,523	\$ -	\$ -	\$ -	\$ -	\$ 250,775
332.00 Reservoirs, Dams and Waterways	1,951,421	360,573					2,311,994
333.00 Water Wheels, Turbines and Gen.	949,768	65,754					1,015,522
334.00 Accessory Electric Equipment	412,050	27,963					440,013
335.00 Misc. Power Plant Equipment	164,516	43,118					207,633
<b>Total Hydraulic Production</b>	<b>\$ 3,710,007</b>	<b>\$ 515,931</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,225,938</b>
<b>OTHER PRODUCTION</b>							
341.00 Structures and Improvements	\$ 4,224,111	\$ 467,728	\$ -	\$ -	\$ -	\$ -	\$ 4,691,839
342.00 Fuel Holders and Accessories	839,554	61,901					901,455
343.00 Prime Movers	16,172,104	824,392		457,680	43,560		16,495,256
344.00 Generators	65,109,184	9,972,219	50,000	888,263	32,000		74,211,140
345.00 Accessory Electric Equipment	6,105,810	820,171	582	14,046	1,200		6,911,316
346.00 Misc. Power Plant Equipment	188,548	24,712		1,570			211,689
<b>Total Other Production</b>	<b>\$ 92,639,311</b>	<b>\$ 12,171,123</b>	<b>\$ 50,582</b>	<b>\$ 1,361,559</b>	<b>\$ 76,760</b>	<b>\$ -</b>	<b>\$ 103,422,696</b>
<b>TRANSMISSION PLANT</b>							
353.00 Station Equipment	\$ 19,070,943	\$ 1,414,405	\$ 708,619	\$ 52,512	\$ 10,666	\$ (7)	\$ 21,130,782
354.00 Towers and Fixtures	4,645,065	1,377,044					6,022,108
355.00 Poles and Fixtures	46,666,786	2,133,012	783,924	126,649	199,577	(138)	49,257,358
356.00 Overhead Conductors and Devices	37,479,558	1,776,996	15,331	272,799	210,098	(27)	38,788,960
358.00 Underground Conductors and Devices	71,452	1,005					72,457
<b>Total Transmission Plant</b>	<b>\$ 107,933,803</b>	<b>\$ 6,702,462</b>	<b>\$ 1,507,874</b>	<b>\$ 451,960</b>	<b>\$ 420,341</b>	<b>\$ (172)</b>	<b>\$ 115,271,665</b>

**OTTER TAIL POWER COMPANY**  
Analysis of Depreciation Reserve for 2016

Statement H

Account Description A	Beginning Balance B	Credits		Debits		Other Credits (Debits) G	Ending Balance H
		Accruals C	Gross Salvage D	Retirements E	Cost of Removal F		
<b>DISTRIBUTION PLANT</b>							
362.00 Station Equipment	\$ 20,315,547	\$ 1,611,229	\$ 106,933	\$ 507,888	\$ 105,624	\$ 590	\$ 21,420,786
364.00 Poles, Towers and Fixtures	39,199,927	1,726,805	151,117	107,218	299,905	25	40,670,751
365.00 Overhead Conductors and Devices	38,461,822	1,370,994	61,717	163,092	158,667	(206)	39,572,569
367.00 Underground Conductors and Devices	34,057,834	1,688,486	11,667	154,495	50,566	279	35,553,204
368.00 Line Transformers	13,295,616	1,135,401	403,144	574,675	313,565	(516)	13,945,405
369.00 Overhead Services	14,631,437	536,170	1,516	17,392	90,597		15,061,134
369.10 Underground Services	16,533,211	1,031,812		37,907	29,200		17,497,915
370.00 Meters	8,194,870	790,830	1,260	743,581	(1)		8,243,380
370.10 Load Management Switches	6,528,489	770,348		15,543			7,283,294
370.20 Interruption Monitors	31,704	4,878		36,582			(0)
371.20 Other Private Lighting	1,091,142	180,550	11,561	226,928	9,301		1,047,023
373.00 Street Lighting and Signal Systems	2,775,730	179,668	9,984	102,472	10,419		2,852,491
<b>Total Distribution Plant</b>	<b>\$ 195,117,328</b>	<b>\$ 11,027,172</b>	<b>\$ 758,898</b>	<b>\$ 2,687,775</b>	<b>\$ 1,067,843</b>	<b>\$ 172</b>	<b>\$ 203,147,952</b>
<b>GENERAL PLANT</b>							
390.00 Structures and Improvements	\$ 5,394,392	\$ 397,096	\$ -	\$ 107,949	\$ -	\$ (22)	\$ 5,683,518
390.10 General Office Buildings	2,446,088	28,158				22	2,474,268
390.20 Fleet Service Center Buildings	493,191	12,312					505,503
390.30 Central Stores Building	1,892,161	(80,215)		13,216			1,798,731
391.00 Office Furniture	823,448	84,382		143,166			764,665
391.10 Office Equipment	513,995	80,823		1,102			593,716
391.20 Duplicating Equipment	288,196	33,537		150,921			170,812
391.50 Computer Systems	3,114,539	680,094		2,304,110			1,490,523
391.60 Computer Related Equipment	1,350,464	354,910		1,142,947			562,427
394.00 Tools, Shop and Garage Equipment	1,591,786	262,670		172,226			1,682,230
394.20 Automated Meter Reading Equipment	339,897	41,171					381,068
396.00 Power Operated Equipment	216,353	15,582	2,921	68,603			166,253
397.00 Communication Equipment	365,060	58,239		54,934			368,365
397.10 Radio Telecommunications Equipment	596,480	120,512		22,519			694,473
397.20 Microwave Equipment	2,182,086	307,241		455,249	(242)		2,034,320
397.30 Radio Load Control Equipment	130,770	31,786					162,556
397.40 Communication Equipment - Towers	854,487	37,790					892,278
<b>Total General Plant</b>	<b>\$ 22,593,394</b>	<b>\$ 2,466,089</b>	<b>\$ 2,921</b>	<b>\$ 4,636,941</b>	<b>\$ (242)</b>	<b>\$ -</b>	<b>\$ 20,425,705</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 644,908,015</b>	<b>\$ 49,704,491</b>	<b>\$ 6,159,389</b>	<b>\$ 13,642,907</b>	<b>\$ 3,889,270</b>	<b>\$ 0</b>	<b>\$ 683,239,718</b>

**OTTER TAIL POWER COMPANY**  
Summary of Annual Depreciation Accruals for 2016

Statement I

Account Description A	Beginning Plant Balance B	Est. Future Net Salvage		Beginning Depreciation Reserve E	Net Balance F=B-D-E	Projection Life (Yrs.) G	Remaining Life (Yrs.) H	Annual Accrual I=F/H	Accrual Rate J=I/B
		Percent C	Amount D=B*C						
<b>STEAM PRODUCTION</b>									
311.00 Structures and Improvements	\$ 124,286,056	-10.2%	\$ (12,677,178)	\$ 48,168,882	\$ 88,794,352		24.22	\$ 3,666,158	2.95%
312.00 Boiler Plant Equipment	315,197,162	-10.6%	(33,410,899)	111,776,563	236,831,498		18.11	13,077,388	4.15%
312.10 Boiler Plant Equipment - Ash Pond	6,980,676			2,331,763	4,648,913		18.11	256,704	3.68%
314.00 Turbo Generator Units	65,472,261	-10.8%	(7,071,004)	40,426,334	32,116,931		22.00	1,459,861	2.23%
315.00 Accessory Electric Equipment	36,595,821	-10.3%	(3,769,370)	16,924,678	23,440,512		23.31	1,005,599	2.75%
316.00 Misc. Power Plant Equipment	6,238,030	-10.5%	(654,993)	3,285,952	3,607,071		19.58	184,222	2.95%
<b>Total Steam Production</b>	<b>\$ 554,770,006</b>	<b>-10.4%</b>	<b>\$ (57,583,444)</b>	<b>\$ 222,914,172</b>	<b>\$ 389,439,278</b>		<b>19.82</b>	<b>\$ 19,649,932</b>	<b>3.54%</b>
<b>HYDRAULIC PRODUCTION</b>									
331.00 Structures and Improvements	\$ 351,712		\$ -	\$ 232,252	\$ 119,460		6.45	\$ 18,521	5.27%
332.00 Reservoirs, Dams and Waterways	4,277,054			1,951,421	2,325,633		6.45	360,563	8.43%
333.00 Water Wheels, Turbines and Gen.	1,373,867			949,768	424,099		6.45	65,752	4.79%
334.00 Accessory Electric Equipment	592,400			412,050	180,350		6.45	27,961	4.72%
335.00 Misc. Power Plant Equipment	442,624			164,516	278,109		6.45	43,118	9.74%
<b>Total Hydraulic Production</b>	<b>\$ 7,037,658</b>		<b>\$ -</b>	<b>\$ 3,710,007</b>	<b>\$ 3,327,650</b>		<b>6.45</b>	<b>\$ 515,915</b>	<b>7.33%</b>
<b>OTHER PRODUCTION</b>									
341.00 Structures and Improvements	\$ 12,946,209	-1.2%	\$ (155,355)	\$ 4,224,111	\$ 8,877,452		18.94	\$ 468,714	3.62%
342.00 Fuel Holders and Accessories	1,748,266	-1.0%	(17,483)	839,554	926,194		14.94	61,994	3.55%
343.00 Prime Movers	31,897,513	-0.8%	(255,180)	16,172,104	15,980,589		18.49	864,283	2.71%
344.00 Generators	241,512,941	-1.5%	(3,622,694)	65,109,184	180,026,451		18.05	9,973,765	4.13%
345.00 Accessory Electric Equipment	20,546,283	-1.5%	(308,194)	6,105,810	14,748,667		17.97	820,738	3.99%
346.00 Misc. Power Plant Equipment	605,668	-1.0%	(6,057)	188,548	423,177		18.23	23,213	3.83%
<b>Total Other Production</b>	<b>\$ 309,256,880</b>		<b>\$ (4,364,962)</b>	<b>\$ 92,639,311</b>	<b>\$ 220,982,531</b>		<b>18.09</b>	<b>\$ 12,212,708</b>	<b>3.95%</b>
<b>TRANSMISSION PLANT</b>									
353.00 Station Equipment	\$ 85,468,068	-5.0%	\$ (4,273,403)	\$ 19,070,943	\$ 70,670,528	65.00	52.75	\$ 1,339,726	1.57%
354.00 Towers and Fixtures	85,885,043	-10.0%	(8,588,504)	4,645,065	89,828,483	70.00	65.48	1,371,846	1.60%
355.00 Poles and Fixtures	107,218,331	-50.0%	(53,609,165)	46,666,786	114,160,711	70.00	53.90	2,118,009	1.98%
356.00 Overhead Conductors and Devices	102,215,587	-30.0%	(30,664,676)	37,479,558	95,400,706	70.00	54.34	1,755,626	1.72%
358.00 Underground Conductors and Devices	77,461	-5.0%	(3,873)	71,452	9,882	40.00	9.83	1,005	1.30%
<b>Total Transmission Plant</b>	<b>\$ 380,864,490</b>	<b>-25.5%</b>	<b>\$ (97,139,622)</b>	<b>\$ 107,933,803</b>	<b>\$ 370,070,309</b>		<b>56.19</b>	<b>\$ 6,586,212</b>	<b>1.73%</b>

**OTTER TAIL POWER COMPANY**  
Summary of Annual Depreciation Accruals for 2016

Statement I

Account Description	Beginning	Est. Future Net Salvage		Beginning	Net	Projection	Remaining	Annual	Accrual
	Plant	Percent	Amount	Depreciation					
A	B	C	D=B*C	E	F=B-D-E	G	H	J=F/H	J=I/B
<b>DISTRIBUTION PLANT</b>									
362.00 Station Equipment	\$ 75,495,956	5.0%	\$ 3,774,798	\$ 20,315,547	\$ 51,405,611	40.00	32.19	\$ 1,596,944	2.12%
364.00 Poles, Towers and Fixtures	69,428,763	-75.0%	(52,071,572)	39,199,927	82,300,408	68.00	47.99	1,714,949	2.47%
365.00 Overhead Conductors and Devices	49,145,267	-100.0%	(49,145,267)	38,461,822	59,828,712	65.00	43.86	1,364,084	2.78%
367.00 Underground Conductors and Devices	71,676,278	-5.0%	(3,583,814)	34,057,834	41,202,258	40.00	24.61	1,674,208	2.34%
368.00 Line Transformers	89,762,013	50.0%	44,881,006	13,295,616	31,585,391	40.00	28.29	1,116,486	1.24%
369.00 Overhead Services	12,837,241	-150.0%	(19,255,861)	14,631,437	17,461,664	55.00	32.68	534,323	4.16%
369.10 Underground Services	39,609,183	-20.0%	(7,921,837)	16,533,211	30,997,809	45.00	30.25	1,024,721	2.59%
370.00 Meters	24,243,214			8,194,870	16,048,345	28.00	20.68	776,032	3.20%
370.10 Load Management Switches	8,681,054			6,528,489	2,152,566	12.00	2.79	771,529	8.89%
370.20 Interruption Monitors*	36,582			31,704	4,878	5.00	1.00	4,878	13.33%
371.20 Other Private Lighting	4,482,178	10.0%	448,218	1,091,142	2,942,818	23.00	16.90	174,131	3.88%
373.00 Street Lighting and Signal Systems	5,156,980	-5.0%	(257,849)	2,775,730	2,639,099	22.00	15.11	174,659	3.39%
<b>Total Distribution Plant</b>	<b>\$ 450,554,709</b>	<b>-18.5%</b>	<b>\$ (83,132,177)</b>	<b>\$ 195,117,328</b>	<b>\$ 338,569,558</b>		<b>30.98</b>	<b>\$ 10,926,943</b>	<b>2.43%</b>
<b>GENERAL PLANT</b>									
390.00 Structures and Improvements	\$ 19,735,934	10.0%	\$ 1,973,593	\$ 5,394,392	\$ 12,367,949	47.00	31.17	\$ 396,790	2.01%
390.10 General Office Buildings	5,712,599	49.7%	2,839,161	2,446,088	427,349		15.18	28,152	0.49%
390.20 Fleet Service Center Buildings	937,678	33.8%	316,935	493,191	127,552		10.36	12,312	1.31%
390.30 Central Stores Building	4,026,350	92.7%	3,732,426	1,892,161	(1,598,238)		19.93	(80,193)	-1.99%
391.00 Office Furniture*	1,315,610			823,448	492,162	15.00		87,707	6.67%
391.10 Office Equipment*	808,231			513,995	294,236	10.00		80,823	10.00%
391.20 Duplicating Equipment*	433,343			288,196	145,147	10.00		43,334	10.00%
391.50 Computer Systems*	4,837,066			3,114,539	1,722,527	5.00		967,413	20.00%
391.60 Computer Related Equipment*	2,087,637			1,350,464	737,173	5.00		417,527	20.00%
394.00 Tools, Shop and Garage Equipment*	3,927,992			1,591,786	2,336,206	15.00		261,866	6.67%
394.20 Automated Meter Reading Equipment*	617,570			339,897	277,674	15.00		41,171	6.67%
396.00 Power Operated Equipment	605,062	20.0%	121,012	216,353	267,697	24.00	17.28	15,492	2.56%
397.00 Communication Equipment*	873,580			365,060	508,520	15.00		58,239	6.67%
397.10 Radio Telecommunications Equipment*	1,206,997			596,480	610,518	10.00		120,700	10.00%
397.20 Microwave Equipment*	4,625,643			2,182,086	2,443,558	15.00		308,376	6.67%
397.30 Radio Load Control Equipment*	317,859			130,770	187,088	10.00		31,786	10.00%
397.40 Communication Equipment - Towers	1,888,762	5.0%	94,438	854,487	939,837	40.00	24.87	37,790	2.00%
<b>Total General Plant</b>	<b>\$ 53,957,915</b>	<b>16.8%</b>	<b>\$ 9,077,567</b>	<b>\$ 22,593,394</b>	<b>\$ 22,286,955</b>		<b>7.88</b>	<b>\$ 2,829,287</b>	<b>5.24%</b>
<b>TOTAL DEPRECIABLE PLANT</b>	<b>\$ 1,756,441,657</b>	<b>-13.3%</b>	<b>\$ (233,142,639)</b>	<b>\$ 644,908,015</b>	<b>\$ 1,344,676,281</b>		<b>25.51</b>	<b>\$ 52,720,997</b>	<b>3.00%</b>

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

**OTTER TAIL POWER COMPANY  
2017 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION  
PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2018**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
<b>STEAM PRODUCTION</b>				
<u>Big Stone Plant</u>				
311-101	Structures & Improvements	28.39	-6.0%	
312-101	Boiler Plant Equipment	28.39	-6.0%	
314-101	Turbogenerator Units	28.36	-6.0%	
315-101	Accessory Electric Equipment	28.39	-6.0%	
316-101	Misc. Power Plant Equipment	28.37	-5.6%	
<u>Hoot Lake Plant - Units 2 &amp; 3</u>				
311-102	Structures & Improvements	4.47	-13.5%	
312-102	Boiler Plant Equipment	4.47	-13.5%	
312.1-102	Boiler Plant Equipment	32.99		
314-102	Turbogenerator Units	4.47	-13.5%	
315-102	Accessory Electric Equipment	4.47	-13.5%	
316-102	Misc. Power Plant Equipment	4.47	-13.4%	
<u>Coyote Station</u>				
311-103	Structures & Improvements	23.69	-8.0%	
312-103	Boiler Plant Equipment	23.71	-8.0%	
314-103	Turbogenerator Units	23.72	-8.0%	
315-103	Accessory Electric Equipment	23.70	-8.0%	
316-103	Misc. Power Plant Equipment	23.72	-7.7%	
<b>HYDRAULIC PRODUCTION</b>				
<u>Hoot Lake Hydro Unit</u>				
331-131	Structures & Improvements	4.47	0.0%	
332-131	Reservoirs, Dams & Waterways	4.47	0.0%	
333-131	Water Wheels, Turbines & Gen.	4.47	0.0%	
334-131	Accessory Electric Equipment	4.47	0.0%	
335-131	Misc. Power Plant Equipment	4.47	0.0%	
<u>Wright Hydro Unit</u>				
331-132	Structures & Improvements	4.47	0.0%	
332-132	Reservoirs, Dams & Waterways	4.47	0.0%	
333-132	Water Wheels, Turbines & Gen.	4.47	0.0%	
334-132	Accessory Electric Equipment	4.47	0.0%	
335-132	Misc. Power Plant Equipment	4.47	0.0%	
<u>Pisgah Hydro Unit</u>				
331-133	Structures & Improvements	4.47	0.0%	
332-133	Reservoirs, Dams & Waterways	4.47	0.0%	
333-133	Water Wheels, Turbines & Gen.	4.47	0.0%	
334-133	Accessory Electric Equipment	4.47	0.0%	
335-133	Misc. Power Plant Equipment	4.47	0.0%	
<u>Dayton Hollow Hydro Unit</u>				
331-134	Structures & Improvements	4.47	0.0%	
332-134	Reservoirs, Dams & Waterways	4.47	0.0%	
333-134	Water Wheels, Turbines & Gen.	4.47	0.0%	
334-134	Accessory Electric Equipment	4.47	0.0%	
335-134	Misc. Power Plant Equipment	4.47	0.0%	

**OTTER TAIL POWER COMPANY  
2017 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION  
PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2018**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
<u>Taplin Gorge Hydro Unit</u>				
331-135	Structures & Improvements	4.47	0.0%	
332-135	Reservoirs, Dams & Waterways	4.47	0.0%	
333-135	Water Wheels, Turbines & Gen.	4.47	0.0%	
334-135	Accessory Electric Equipment	4.47	0.0%	
335-135	Misc. Power Plant Equipment	4.47	0.0%	
<u>Bemidji Hydro Unit</u>				
331-138	Structures & Improvements	4.47	0.0%	
332-138	Reservoirs, Dams & Waterways	4.47	0.0%	
333-138	Water Wheels, Turbines & Gen.	4.47	0.0%	
334-138	Accessory Electric Equipment	4.47	0.0%	
335-138	Misc. Power Plant Equipment	4.47	0.0%	
<b>OTHER PRODUCTION</b>				
<u>Jamestown Unit 1</u>				
341-140	Structures & Improvements	16.14	-1.6%	
342-140	Fuel Holders & Accessories	16.15	-1.6%	
343-140	Prime Movers	16.14	-1.6%	
345-140	Accessory Electric Equipment	16.12	-1.6%	
346-140	Misc. Power Plant Equipment	16.15	-1.6%	
<u>Jamestown Unit 2</u>				
341-142	Structures & Improvements	16.15	-1.6%	
342-142	Fuel Holders & Accessories	16.12	-1.6%	
343-142	Prime Movers	16.13	-1.6%	
345-142	Accessory Electric Equipment	16.15	-1.6%	
346-142	Misc. Power Plant Equipment	16.13	-1.6%	
<u>Lake Preston</u>				
341-141	Structures & Improvements	16.13	-2.8%	
342-141	Fuel Holders & Accessories	16.14	-2.8%	
343-141	Prime Movers	16.13	-2.8%	
345-141	Accessory Electric Equipment	16.13	-2.8%	
346-141	Misc. Power Plant Equipment	16.13	-2.8%	
<u>Fergus Falls Control Center</u>				
343-143	Prime Movers	13.26	0.0%	
<u>Solway Combustion Turbine Plant</u>				
341-144	Structures & Improvements	20.90	-0.4%	
342-144	Fuel Holders & Accessories	20.90	-0.4%	
343-144	Prime Movers	20.90	-0.4%	
345-144	Accessory Electric Equipment	20.90	-0.4%	
346-144	Misc. Power Plant Equipment	20.91	-0.4%	
<u>Langdon Wind Energy Center</u>				
341-160	Structures & Improvements	15.19	-1.4%	
344-160	Generators	15.19	-1.4%	
345-160	Accessory Electric Equipment	15.19	-1.4%	
346-160	Misc. Power Plant Equipment	15.20	-1.4%	
<u>Ashtabula Wind Energy Center</u>				
341-161	Structures & Improvements	16.15	-1.2%	
344-161	Generators	16.15	-1.2%	
345-161	Accessory Electric Equipment	16.15	-1.2%	
346-161	Misc. Power Plant Equipment	16.16	-1.2%	

**OTTER TAIL POWER COMPANY  
2017 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION  
PROPOSED REMAINING LIVES & SALVAGE FOR USE IN 2018**

<u>Account Number</u>	<u>Class of Utility Plant</u>	<u>Remaining Life (Yrs)</u>	<u>Net Salvage (%)</u>	<u>Amortization Period (Yrs)</u>
	<u>Luverne Wind Energy Center</u>			
341-162	Structures & Improvements	17.11	-2.0%	
344-162	Generators	17.11	-2.0%	
345-162	Accessory Electric Equipment	17.11	-2.0%	
346-162	Misc. Power Plant Equipment	17.11	-2.0%	
<b>TRANSMISSION</b>				
353	Station Equipment	53.63	-5.0%	
354	Towers & Fixtures	65.34	-10.0%	
355	Poles & Fixtures	54.21	-50.0%	
356	Overhead Conductor & Devices	55.11	-30.0%	
358	Underground Conductor & Devices	8.92	-5.0%	
<b>DISTRIBUTION</b>				
362	Station Equipment	32.00	5.0%	
364	Poles, Towers & Fixtures	47.20	-75.0%	
365	Overhead Conductor & Devices	43.09	-100.0%	
367	Underground Conductor & Devices	24.22	-5.0%	
368	Line Transformers	28.05	50.0%	
369	Overhead Services	31.60	-150.0%	
369.1	Underground Services	29.63	-20.0%	
370	Meters	20.73	0.0%	
370.1	Load Management Switches	1.59	0.0%	
370.20	Interruption Monitors			5
371.20	Other Private Lighting	17.03	10.0%	
373	Street Lighting & Signal System	15.13	-5.0%	
<b>GENERAL PLANT</b>				
<b>Depreciable</b>				
390	Structures & Improvements	30.07	10.0%	
390.1	General Office Buildings	13.26	49.6%	
390.2	Fleet Service Center Buildings	8.41	33.6%	
390.3	Central Stores Building	18.03	92.6%	
396	Power Operated Equipment	17.81	20.0%	
397.4	Communication Towers	23.32	5.0%	
<b>Amortizable</b>				
391	Office Furniture			15
391.1	Office Equipment			10
391.2	Duplicating Equipment			10
391.5	Computer Systems			5
391.6	Computer Related Equipment			5
393	Stores Equipment			15
394	Tools, Shop & Garage Equipment			15
394.2	Automated Meter Reading Equip.			15
395	Laboratory Equipment			15
397	Communication Equipment			15
397.1	Radio Telecom Equipment			10
397.2	Microwave Equipment			15
397.3	Radio Load Control Equipment			10

Source is Statement A from Foster Report

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

**Future Additions and Retirements**

As indicated in the 2017 Annual Depreciation Study (Attachment 1):  
“Minnesota State Agency Rules 7825.0700, Subpart 2-B provides that each utility shall disclose a list of any major future additions or retirements to the plant accounts that the utility believes may have a material effect on the current certification results.” (See page 4 of the Study).

Otter Tail Power Company (Otter Tail) is unaware of any major future additions that will materially affect this filing’s certification results.

Otter Tail continues to invest in the CapX2020 transmission line construction initiatives in Minnesota, North Dakota, and South Dakota. CapX2020 project segments have gone into service from 2012 through 2015. For the next phase of CAPX2020 projects, Otter Tail is actively participating in the development and construction of two new 345 kV transmission projects and corresponding substation upgrades in the Big Stone, South Dakota, area. We are working closely with MISO and area utilities on these projects, which are part of MISO’s Multi-Value Project (“MVP”) portfolio. These two 345 kV projects under construction are; Big Stone South – Brookings and Big Stone South – Ellendale. These projects are eligible for regional cost sharing under the MISO’s FERC-approved MVP cost allocation methodology. These projects are actively under construction and are expected to go into service in phases from late in 2017 through the early 2019 timeframe at an estimated cost of approximately \$200M (Otter Tail Power Company share).

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

In addition to discussing active future additions or retirements that could affect the current certification results, it is the Company’s practice to also discuss future (and potential future) additions and retirements that may have an effect on *future* depreciation expense or *future* certification results.

Otter Tail Power Company’s 2013 five-year depreciation filing provided some discussion on these projects and we provide below additional updates on current projects or projects being considered.

On November 17, 2016, Otter Tail announced plans to purchase a 150-megawatt (MW) wind farm proposed to be built in southeastern North Dakota near the small town of Merricourt. The company expects the wind farm to cost more than \$250 million to construct, and expects it will go into service in 2019.

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

On March 27, 2017, the company announced plans to seek regulatory approvals to build a new gas-fired electricity-generating station northwest of Astoria in Deuel County, South Dakota. This plant is proposed to be located at the intersection of the Northern Border Pipeline and the Big Stone South-to-Brookings County 345-kilovolt electric transmission line. The Astoria Station will be a state-of-the-art, highly efficient simple-cycle natural gas combustion turbine with the capacity to provide approximately 250 MW of energy. Otter Tail Power Company expects to invest \$165 million in the project with a planned in-service date in 2021.

Together these new generation facilities will help offset the scheduled 2021 retirement of coal-fired Units 2 and 3 at Hoot Lake Plant located outside of Fergus Falls, MN. Astoria Station will help offset capacity needs, while the wind farm will help offset energy needs. The Hoot Lake Plant units began serving customers in 1959 and 1964 respectively, and have a combined output of 140-megawatts (MW).

**OTTER TAIL POWER COMPANY  
2017 ANNUAL REVIEW OF DEPRECIATION CERTIFICATION  
Comparison of Resource Plan to Annual Depreciation Filing**

Generating Unit	Retirement Dates			Comments
	Resource Plan 2017 - 2031	2017 Depreciation Study (Attachment No. 1)	Difference	
<b>BASE LOAD</b>				
➤ Hoot Lake Plant Units 2 & 3	Jun-2021	Jun-2021	None	Hoot Lake Plant units 2 & 3 have an Average Year of Final Retirement (AYFR) of 2021. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2021 as its retirement date. The IRP in Appendix F also adopts June, 2021 as the retirement month matching the Depreciation filing.
➤ Big Stone Plant	Jun-2046	Jun-2046	None	Big Stone Plant has an Average Year of Final Retirement (AYFR) of 2046. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2046 as its retirement date. The IRP in Appendix F also adopts June, 2046 as the retirement month matching the Depreciation filing.
➤ Coyote Station	Jun-2041	Jun-2041	None	Coyote Station has an Average Year of Final Retirement (AYFR) of 2041. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2041 as its retirement date. The IRP in Appendix F also adopts June, 2041 as the retirement month matching the Depreciation filing.
<b>WIND</b>				
➤ Langdon Wind Energy Center	Dec-2032	Jun-2032	6 months (outside of IRP study period)	The Langdon Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2032. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2032 as its retirement date. The IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year, therefore the IRP uses December, 2032 as its retirement month.
➤ Ashtabula Wind Energy Center	Dec-2033	Jun-2033	6 months (outside of IRP study period)	The Ashtabula Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2033. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2033 as its retirement date. The IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year, therefore the IRP uses December, 2033 as its retirement month.
➤ Luverne Wind Energy Center	Dec-2034	Jun-2034	6 months (outside of IRP study period)	The Luverne Wind Energy Center has an Average Year of Final Retirement (AYFR) of 2034. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2034 as its retirement date. The IRP models the Wind Farms as Purchase Power Agreements which expire at the end of their termination year, therefore the IRP uses December, 2034 as its retirement month.
<b>HYDRO</b>				
➤ 6 units in 5 dams on the Otter Tail River, FERC licensed	No retirement date discussed - IRP assumes operating perpetually	Jun-2021	Program assumption differences	The latest approved IRP assume these permanent hydro dam structures operate perpetually until a final retirement date is established. Depreciation Studies tie the retirement date to end of the current active FERC hydro operating license. This is the latest date these facilities can operate as generation resources until a new license renewal is granted pursuant to the satisfaction of its stated conditions. OTP is currently pursuing renewing its FERC Hydro license.
➤ 2 units on outlet of Lake Bemidji – not subject to FERC jurisdiction	No retirement date discussed - IRP assumes operating perpetually	Jun-2021	Program assumption differences	The latest approved IRP assumes permanent hydro dam structures operate perpetually until a final retirement date is established. Depreciation Studies tie retirement date to end of current hydro license for other hydro structures which are of a similar vintage.
<b>PEAKING</b>				
➤ Jamestown Combustion Turbines - 2 units	Jun-2033	Jun-2033	None	The two Jamestown Combustion Turbines have an Average Year of Final Retirement (AYFR) of 2033. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2033 as its retirement date. The IRP in Appendix F also adopts June, 2033 as the retirement month matching the Depreciation filing.
➤ Lake Preston Combustion Turbine	Jun-2033	Jun-2033	None	The Lake Preston Combustion Turbine has an Average Year of Final Retirement (AYFR) of 2033. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2033 as its retirement date. The IRP in Appendix F also adopts June, 2033 as the retirement month matching the Depreciation filing.
➤ Solway Combustion Turbine	Jun-2038	Jun-2038	None	The Solway Combustion Turbine has an Average Year of Final Retirement (AYFR) of 2038. The Depreciation Study adopts a mid-year convention where all asset activity is assumed to take place on June 30th of its respective activity years, whether that activity is a plant addition or plant retirement. Therefore the depreciation study has June, 2038 as its retirement date. The IRP in Appendix F also adopts June, 2038 as the retirement month matching the Depreciation filing.
➤ Fergus Control Center Diesel	No retirement date discussed - beyond study period	Jun-2030	Program assumption differences	IRP assumes retirement is outside of resource plan study period. Depreciation study accounts for assets functionality as control center black start and back up strategic functionality. Unit classified as an Emergency Generator as defined by EPA Rice rules.

**Note:**

Otter Tail 's most recently approve IRP was filed under Docket No. E07-RP-16-386. In the RP's, the near-term is intended to be very specific with regard to resource changes, additions, retirements, etc. The long-term is much more uncertain and identifies resources that a utility is likely to use. The depreciation study is intended to be an exact forecast used for appropriate depreciation expense allocation of our current investment over the current plants remaining life. The RP is far less exact in the long-term, so there can be potential difference because of the intended purposes and assumptions the two filings.

## **CERTIFICATE OF SERVICE**

**RE: In the Matter of Otter Tail Power Company's Petition for Approval of its  
2017 Annual Review of Depreciation Certification  
Docket No. E017/D-17-**

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

**Otter Tail Power Company  
Initial Filing**

Dated this **1st** day of **September 2017**.

/s/ JANA HRDLICKA

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

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Ian	Dobson	Residential.Utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
James C.	Erickson	jericksonkbc@gmail.com	Kelly Bay Consulting	17 Quechee St  Superior, WI 54880-4421	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Shane	Henriksen	shane.henriksen@enbridge.com	Enbridge Energy Company, Inc.	1409 Hammond Ave FL 2  Superior, WI 54880	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
Larry L.	Schedin	Larry@LLSResources.com	LLS Resources, LLC	332 Minnesota St, Ste W1390 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Otter Tail Power Company_2017 Depreciation
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